

Senqu Municipality Annual Report

2014/2015



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CHAPTER 1

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

CHAPTER 1:

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

I am forever reminded of the fact that we are in the “twilight phase” of this term of our political leadership (which ends in 2016). Looking back it is clear that Senqu Municipality was able to perform due to sound and strong political and administrative leadership and ability. For this, I am extremely grateful.

Taking this into account we are ever mindful of our need to continue to perform effectively as we enter the last phase (year) of our term of office.

As stated by our State President, His Excellency, President Jacob Zuma, in his January 2008 address – where political direction was given – 2015 is the year of the Freedom Charter. With this in mind we need to accelerate our thinking and actions and ensure the administration and implementation of the strategic plans of the municipality.

a. Vision

The vision of Senqu Municipality (amended) reads as follows:

“A unified, people centred, developmental and vibrant Municipality”

The very essence of the existence of the Senqu Municipality is to provide appropriate, efficient and economical infrastructure services for all residents. The way in which this is achieved is through the creation of improved infrastructure and by ensuring that services are applied more efficiently – and effectively over time. Service Delivery remains our prime objective – ensuring that this is achieved in a “people centred” manner.

The manner in which this will be successfully achieved is through strong leadership and strong administrative and operational support structures and staff. In order to ensure that this is achieved, our focus has been on capacitating staff, management, Councillors and the community; determining community needs through ongoing public participation interventions; improving our internal systems and processes and ways of functioning; and by upgrading infrastructure and service delivery in all areas.

As detailed within the IDP (2011 – 2016) revised annually and for 2014/2015: the following IDP priorities are noted:

- Roads projects are to be prioritized and particularly where there are no approach roads i.e. in Wards 14, 16, 19 and 10. Emphasis is to be placed on paving roads;
- Land (the lack thereof and tenure issues) are to be handled through the expansion of Sterkspruit and the development of Barkly East as a priority issue;

- Job creation – it is recognized that within this project it is required that the skills levels of the population are required to be improved;
- Recreational facilities are required to be provided in each Ward – especially for the youth;
- In terms of LED, focus and attention is to be provided in respect of agro processing e.g. wool washing,
- In respect of Communication and Public Participation – public participation initiatives are required to be increased. In addition, network poles and transmitter poles for television are desperately required in most areas;
- Although technically outside the powers and functions of the municipality, the following services are required to be addressed:
 - Water
 - Sanitation
 - Electricity
 - Disaster Management

b. Key Policy Developments

Part of being able to provide an efficient and effective service relates to ensuring that appropriate policies are put in place in order to ensure compliance at every level.

In attempting to enforce and facilitate positive change the following policies/plans/initiatives have received focus – facilitating more effective and efficient functionality within all related areas:

- In terms of the SCOA project, an internal committee comprising of Directors, Manager, the financial system service provider as well as the provincial treasury was formed to look at all technical aspects of implementing this mammoth task;
- Efforts are being made to ensure compliance in respect of the OPCA and SCOA implementation prescriptions. Processes have been established in both instances in order to facilitate progress;
- The organogram has been adopted by Council and has been implemented;
- In an effort to improve fleet management, a tracking system has been established and the tagging of drivers has been introduced in order to set up better controls;
- Continuous efforts are made to improve and focus on:
 - Public Participation initiatives;
 - Mainstreaming SPU related issues (and review of the SPU Plan);
 - Youth Development initiatives;
 - Risk management initiatives;
 - Performance monitoring; and
 - LED initiatives.

c. Key Service Delivery Improvements

Historically Senqu Municipality has battled over the years with issues of ageing/inadequate infrastructure and limited financial and human resources. This is true also for so many other municipalities.

Over the years, Senqu Municipality has shown how capable it was of rising above these challenges and after receiving no less than 5 Vuna Awards in 2013/2014 it was clear that the administrative and political arms were able to succeed in their respective areas without losing focus. It helps that good relations exist between both of these arms (i.e. between the administrators and politicians).

Over the years Senqu has received a number of unqualified audits (of which to be proud) but for 2013/2014 we have indeed excelled and were given a Clean Audit by the Auditor General. It must be noted that only two (2) municipalities achieved this award for 2013/2014 period – indicating our advanced state of functioning. “Ratings Africa” who considers the Municipal Financial Stability Index, has rated Senqu Municipality as the best performing municipality in the Province for 2014.

Progress has been made in many areas of service delivery and challenges continue to be experienced.

The following areas are highlighted as areas that will receive focus where necessary and where improvements are noted overall:

- Roads continue to be a priority with the quality and sustainable maintenance of roads providing challenges. In other instances villages have expressed total dissatisfaction in being exposed to a complete lack of roads (absence). Efforts are in place to obtain additional funding so that roads can be maintained effectively and politically we are mandated to look at the resurfacing of roads using the job creation projects. Certain roads were impossible to use and this is particularly disturbing as some lead to hospitals. These issues are being taken up with the Department of Public Works for resolution;
- Land invasion issues are challenging and the allocation of sites to the poor is proving difficult. Nonetheless, negotiations around land continue and we recognize the importance of maintaining and improving relations with traditional leaders so that these challenges can be effectively managed;
- Local Economic Development Plans need to be created and implemented in each town;
- Efforts need to be made to ensure that there is upskilling of the community particularly when it comes to the youth;
- Assistance is required to be provided where at all possible. For example, ploughing equipment is desperately needed;

- Commonage management has greatly improved – and the ELRAD Farm programme must continue to be supported;
- Hawkers are encouraged to operate effectively particularly in Sterkspruit – where more stalls are needed;
- It is noted that sportsfields are available in 2 Wards. Political leadership must establish which wards will be selected for further development in this regard;
- It is noted that while traffic functions are provided, this service would be advanced though the provision of better vehicles;
- Communication services are a challenge and in particular cell phone providers will be encouraged to find solutions to the poor cell phone coverage, the loss of network/dropping calls and the like. This affects business and day-to-day operations;
- Radio stations are to be encouraged to strengthen communications throughout and between communities and the municipality; and
- Every effort will be made to strengthen the functioning of the social and economic cluster.

d. Public Participation

A Public Participation Framework is in existence and the reporting required in terms of the implementation of the Public Participation Plan is required to occur quarterly.

Every effort has been made to identify ways in which public participation may be improved in an effort to involve as many stakeholders as possible in “public participation”. The Public Participation Forum was established in 2013 and Ward Committee members, Councillors, members of the LED Forum, SPU and government departments were invited to form part of this process. In addition, Mayoral Imbizos and community information sessions are held regularly.

Efforts to improve the process of encouraging customer feedback culminated in the launch of the Customer Care number. It is unfortunate that this is not used as effectively or as often as planned.

In an effort to improve the ability of Councillors to handle talk shows on radios and to regularly address communities, a Media Capacity Building Training Programme for Councillors took place.

Recognizing the challenges to communicate effectively due to the geographical spread of communities, efforts are made to reach the public via newspapers, broadcasting media (radio), various advertising media and through the use of Community Development Workers and various other forums that are created for this purpose.

e. Future Actions

Moving forward it is clear that while successes are achieved, challenges remain ongoing. In an effort to resolve these challenges it must be emphasised that the following areas will receive particular focus:

- Public participation initiatives;
- Minimization of electricity losses;
- Roads maintenance and construction initiatives in order to minimize extensive challenges;
- Sustainable road and bridge development and maintenance;
- Capacitation of both staff, councillors and the community;
- Local Economic Development Plans for each town and related implementation;
- Effective performance management and reporting;
- Land availability and allocation of sites;
- Paving of sidewalks and roads in towns (job creation initiatives); and
- The development of recreational facilities and the implementation of youth programmes for the Youth.

f. Agreements /Partnerships

Formal and semi-formal structures exist in order to improve all aspects of functioning such as: MUNIMEC, DIMAFU, IGR and the like.

Agreements are entered into with the appointed Service Providers who are then evaluated in accordance with the recognized service provider's assessment processes. The JOGEDA (recognized Development Agency) that is used to boost tourism in the area is effective in ensuring that tourism objectives are prioritized.

Agreements with DSRAC (libraries), Department of Roads and Public Works are examples of other agreements entered into nationally in order to ensure that services are provided effectively.

Conclusion

It gives me absolute and utmost pleasure to present to you the Annual Report for 2014/2015.

As we end this year of both great achievements and our fair share of challenges I remain committed to the conviction that moving forward, the political and administrative leadership must continue to work closely together. It is only through this cooperative effort that the political mandate and the provisions of the ANC manifesto will be met.

Continuous improvements are necessary, inter-governmental relations must be improved, the socio-economic cluster must be strengthened, relationships with other

government departments must be fostered and all parties must work hard to make Senqu and its community achieve desired objectives.

Thanks and appreciation must go to the Speaker, our Chief Whip, the Exco Council, the Municipal Manager and all staff. With you all, great things are possible!

DATE _____

N Y MTYALI
MAYOR

DRAFT

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

The 2014/2015 financial year has seen its fair share of challenges. As always, when faced with diversity, Senqu Municipality has managed to rise above this and to excel. Perhaps the greatest achievement was receiving a clean audit from the Auditor General during 2013/2014 – an achievement that is unmatched and one which will carry the municipality successfully into the future.

a. Alignment of service delivery priorities

Senqu Municipality developed its 5-year Integrated Development Plan (which is reviewed annually) and translated into an annually reviewed document. Strategic objectives are set for each current financial year and these IDP objectives in turn inform the strategic direction of the organisation.

In an effort to ensure that the IDP objectives were effectively addressed, the IDP and Budget Process Plan for 2015/2016 was developed and approved. This was implemented according to the required targets and this ensured that all steps in the related process would be followed.

The Service Delivery and Budget Implementation Plan was developed and aligned to both the IDP and the Budget. These stated targets were then translated into the performance targets of the 56 managers, whose targets will ultimately be translated further throughout the organisation. In this manner the achievement of the IDP objectives was made possible. In terms of compliance, the predetermined objectives were included and reported on. Emphasis as always remained with the service delivery priorities – ensuring that these were adequately addressed.

Issues in respect of these were highlighted within public participation meetings. The Public Participation Framework was developed and applied effectively.

Service Delivery and specifically its priorities, are required to be identified within public participation type meetings and these occur according to the IDP Process Plan and related others.

The Presidential Hotline, Mayoral Imbizo's, surveys and the like, were utilized in order to ensure that the required levels of public engagement and feedback were achieved.

Every effort continues to be made to address service delivery issues and by so doing, priorities are addressed timeously.

b. Service Delivery Performance

Historically, challenges have always existed regarding old and ageing infrastructure, while acknowledging lack of sufficient financial resources in order to adequately address the issues at hand.

Notwithstanding these limited resources, the following achievements are noted:

- Electricity losses are far lower than the acceptable norms;
- The Supply Chain Management (SCM) process flow has greatly improved and the scheduling of meetings has resulted in improvements in the SCM turnaround time (improvements are required ongoing);
- Job Creation Projects relate to projects designed to meet service delivery objectives;
- Job Creation Programmes are required to be informed by the need to meet specific projects and to assist with the achievement of service delivery objectives and targets. Challenges are being experienced with processes involving the manner in which these are staffed. In order to resolve these it is suggested that the number of people employed should be directed by the Corporate Services Directorate;
- The SDF is currently not finalised and SPLUMA has delayed progress until the regulations have been formally approved;
- Improvement has been required regarding the Roads Master Plan and a Roads Maintenance Policy is required to be developed and implemented appropriately;
- Fleet management is being more effectively controlled by the introduction of a tagging and tracking system;
- Training is occurring in terms of the WSP;
- While improvements have been noted in respect of performance management it must be noted that a number of issues are ever present when setting and reporting on stated targets;
- SCOA compliance is progressing well overall and this is particularly commendable as Senqu Municipality represents the SCOA pilot project for the Eastern Cape;
- Operation Clean Audit has been exceptionally well achieved and a Clean Audit was received for 2013/2014. Maintaining this status ongoing becomes our new challenge;
- By-laws and policies are updated regularly although finances at times impact on the ability to do so regularly;
- Subsequently the municipality has appointed a consultant to look holistically at all our municipal by-laws. This is a process that is still being implemented;
- Waste is collected in terms of required delivery; and
- MIG and donor funding is well utilized and continues to contribute extensively towards the upliftment of the community.

c. Financial Health

Senqu Municipality has illustrated its ability to successfully achieve financial health and sustainability. Not only did Senqu Municipality receive a Vuna Award for having achieved an unqualified audit report for 5 consecutive years, but during 2013/2014 a Clean Audit Report was received and Africa Rating rated Senqu Municipality as the top financial performer in the Eastern Cape for this period.

A positive cash flow is enjoyed and Debt Management has improved tremendously. Regular financial reporting occurs in terms of compliance and operational reporting.

d. Efforts to conserve power

Plans to provide indigents with free alternative energy sources have not been entirely successful and targets and provision of this has not occurred as planned. This must receive priority moving forward. Solar power continues to be considered more often and Eskom's national rebates have encouraged members of the community to utilize solar energy.

e. Administrative Policies

The Annual review of policies has occurred and these are detailed within this report. Policies are formulated in order to ensure that the organisation functions effectively according to legislative prescripts and to ensure that all parties have a good understanding of what is required of them in order to remain compliant.

In this manner, staff can be managed effectively, Human Resources Management can be effectively applied, the manner of operation can be clearly executed and evaluated and performance optimization will be facilitated.

Conclusion

Nothing is possible without cooperation and support and our successes are everything to do with the commitment of our team of dedicated staff and Councillors – working tirelessly to ensure that we continue to work towards and achieve greater success.

DATE

M M YAWA
MUNICIPAL MANAGER

Introduction to Background Data

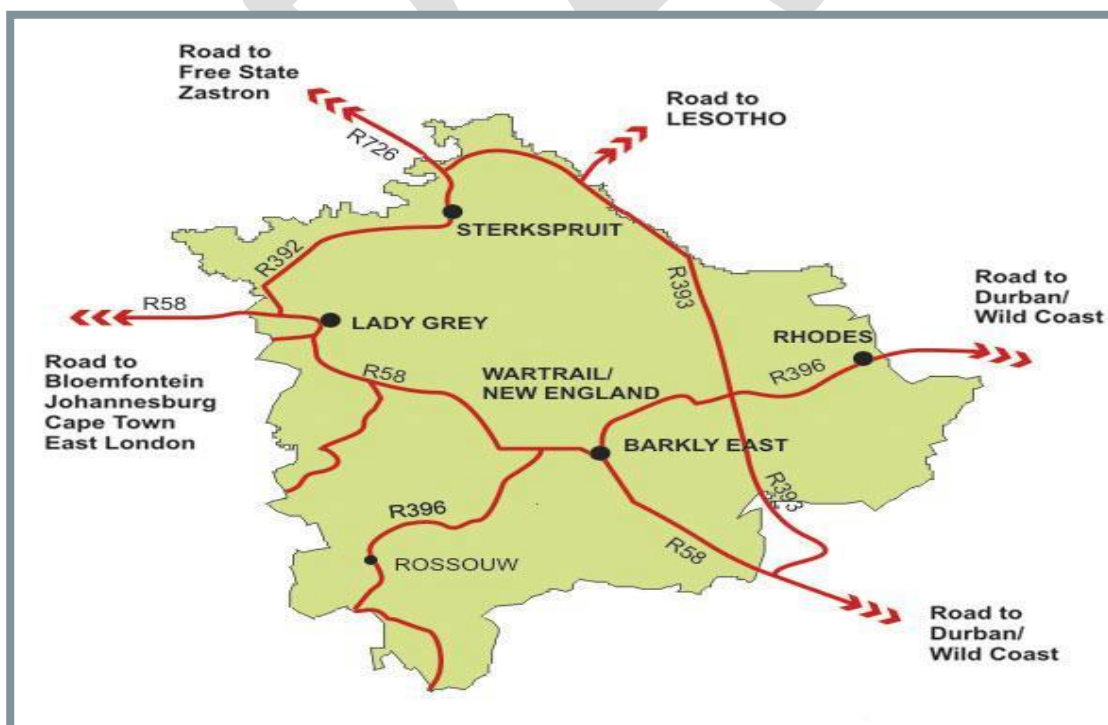
This chapter will detail the geographical area and context in which Senqu Municipality exists, together with demographics relating to the population itself. In this manner, insight into the challenges and situations faced by Senqu Municipality will be obtained and must be considered when determining context at every level.

Geographical Context and Overview of the Municipality (as reflected within the IDP 2011-2016 and updated 2014/2015)

Senqu Municipality was established after the amalgamation of the following Local Authorities and towns:

- Lady Grey (including Transwilger and Kwezi Naledi);
- Barkly East (including Nkululeko, Fairview and Lulama Hlanjwa);
- Sterkspruit;
- Rhodes (including Zakhile), Rossouw; and
- Portion of Wodehouse (Dordrecht) and Indwe.

The Senqu area also covers commercial farms and villages of the former magisterial districts of Barkly East, Rhodes, Herschel, Lady Grey and Sterkspruit and portions of Wodehouse (Dordrecht) and Indwe.



Senqu Municipality is the largest Municipality in the Joe Gqabi District Municipality, and spans an area of 6 772km squared. A unique feature of this Municipality is the fact that it borders the Eastern Cape Province and Lesotho. It has beautiful mountains and beautiful rivers to lay claim to, and with many game-fishing opportunities the potential for tourism within the area is an opportunity that requires nurturing. Elundini and Sakhisizwe Municipalities are in the south of Senqu Municipality and in the west is Maletswai Municipality. To the north is the border between the Eastern Cape Province and the Free State Province. The R58 and R392 are the key transport routes through this Municipality and these then link to the N6 at Aliwal North.

The municipality has three urban nodes viz. Barkly East, Sterkspruit and Lady Grey with Sterkspruit displaying the highest population growth rate. The rest of the municipality is characterised by small villages and communal and commercial farming land.

In examining the background detail, due cognizance must be taken of the efforts made by Senqu Municipality to satisfy basic service delivery requirements, while facing the many challenges as detailed further.

Demographic Overview: Senqu Municipality (as reflected in the 2011/2016 IDP and reviewed 2014/2015)

- Senqu Municipality consist of 3 main towns i.e. Lady Grey, Barkly East and Sterkspruit.
- **Population figures:** 2011 Statssa reflects 134 150 as compared with the Statssa, Census 2001 population figures of 135 141. This represents a decrease in the population (attributed to migration – the move to seek jobs and schools and increased urbanisation as a result).
- **Population density** 16.12 persons per km². The majority of the population still reside in rural areas as opposed to urban area. This includes rural villages and farm households.
- **Household numbers** have increased from 33 904 (2001) to 38 046 (2011) - due to urbanisation and increased participation in world economy.
- **Average unemployment rate** of those **actively looking for employment**, as per the Community Survey (2011) is 35.5% The official definition of unemployment as per the IDP reflects that more than one third (30.34%) of the economically active group in Senqu is unemployed, while the district average is 23.54%.
- **Unemployment** in Senqu (when **including those not actively seeking for work**), is as high as 65% compared to 54% and 48% for the District and Eastern Cape respectively.
- The **dependency rate** is 71.4% (STATSSA, 2011).
- **Income (2013/2014 IDP) :**
 - 50.25% of the households earn no income at all.

- 21.39% of households earn between R1 and R1600 per month.
- Almost 2/3 Senqu households are indigent. More than ¼ households (6 134) earn R400 or less per month.

NOTE: This reflects Senqu's low economic base, which negatively affects investor confidence, their investments and has seriously negative repercussions for the economy and the municipality overall (fewer people able to sustain their livelihoods and afford to live and pay for services).

- Senqu experienced **positive economic growth** between 2000 and 2010, but the economy has been unable to create meaningful benefits for the poor. The **poverty rate** is 62.93% (much higher than the provincial average of 53.61%).
- 70 % of households live in a **formal dwelling** and 68.5 % **own their own dwelling**.
- The **average household size** has dropped from 4 in 2001 to 3.5 in 2011.
- The municipality has a very **high youthful population** which requires a **high need for employment, secondary and tertiary education** in the region. Tertiary opportunities are offered outside the region.
- The **traditional employment opportunities in agriculture and the commercial sector for low skilled workers do not appeal to the better educated youth**.
- Senqu is a poor area with:
 - High levels of service backlogs;
 - Poverty;
 - Unemployment;
 - A very small tax base to pay for services;
 - Limited skills base; and
 - Reliance on public sector employment.

NOTE: The Municipality disputes the accuracy of the figures relating to the population, due to the scattered and mountainous terrain of the municipality, the rural population was not adequately accounted for in the census.

• **Population Figures & Gender**

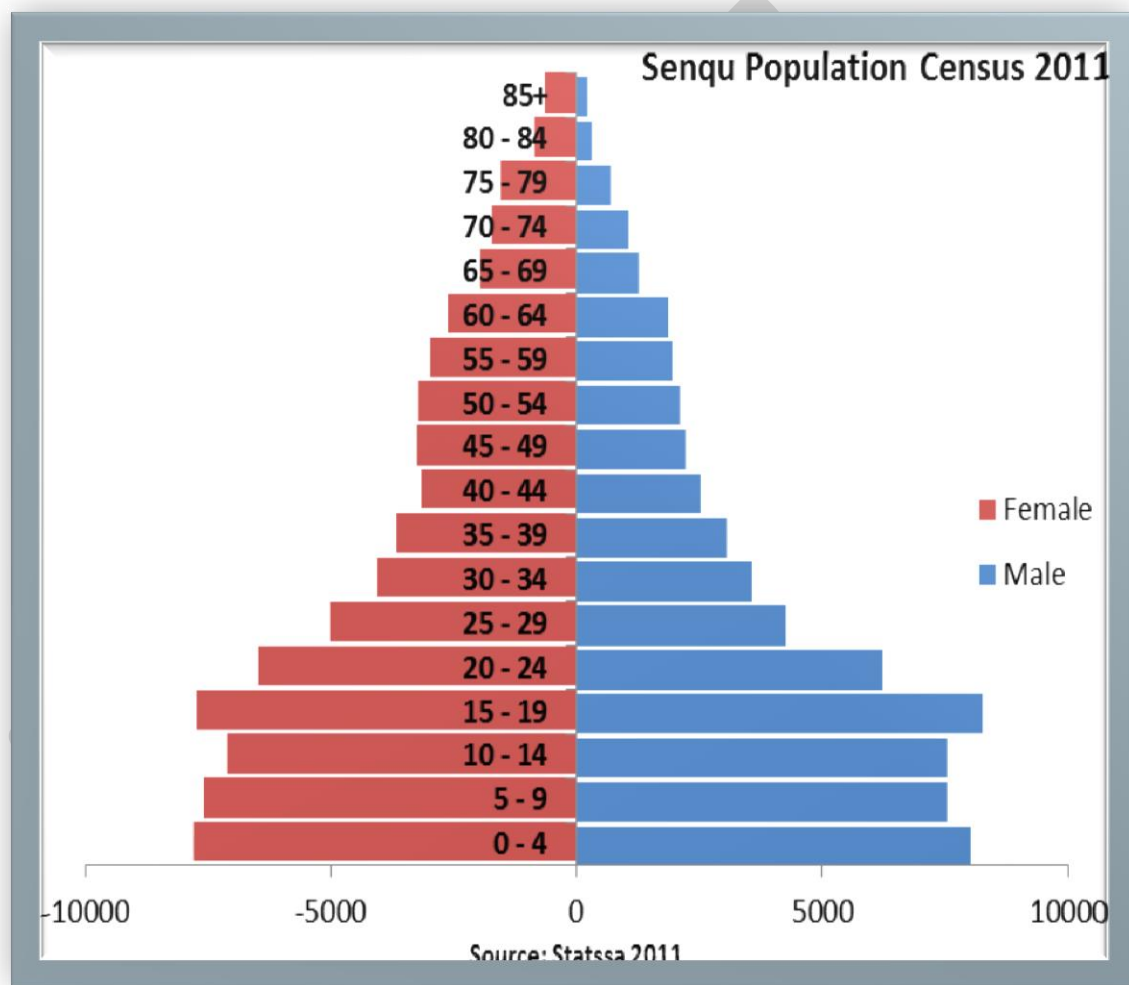
The table below (taken from the 2011-2016 IDP) reflects that:

- Approximately 34 % of the population falls below the 15 year age group. This is a drop of 4 % from 2001.
- 58.3 % of the population fall within the 20-65 age group. This is the economically active sector of the population (STATSSA census 2011). This suggests continuing

population growth in the area with a need for educational facilities and a focus on education and skills training (SDF 2011).

- The age group 65 and above has grown slightly from 7.5 % (2001) to 7.7 % (2011). The percentage of the dependant population and elderly is just over 40 % which should indicate that the population is able to support itself. This is borne out by the fact that the dependency ratio has dropped from 83.5 % (2001) to 71.4 % in 2011.

Senqu Municipality Population & Gender Tables (2014 – 2015 IDP)



As detailed within these diagrams the overall male to female ratio is 45% male to 55% female. This situation has resulted due to the migrant and commuter labour which has resulted in many women acting as the head of the household while the chief breadwinner lives away from home.

Service Delivery Challenges

A number of Service Delivery challenges appear to exist and these are reflected generally as follows:

- **Water**

As per STATSSA, 2011: Unserved population of 7 209 households out of 38 046 with water. This is below 20%.

- **Sanitation**

As per STATSSA, 2011: Unserved population (sanitation provision) of just under 6000 households. Despite improvements, Senqu Municipality still has to eradicate 645 bucket toilets in wards 14, 16 and 19.

NOTE: Aside from these backlogs, Senqu continues to experience problems with old, “decaying” and poorly designed water and sanitation systems that simply cannot handle the current demands placed upon them.

- **Electrification & Telecommunication**

These networks are inadequate and poor quality is experienced in many areas. A great deal of electricity leakages/losses are experienced and needs to be addressed.

- **Waste management**

- This continues to remain a challenge and is characterized by insufficient staff and old vehicles that constantly break down. Waste sites are poorly maintained and recycling efforts remain limited due to financial constraints.

- **Environmental Management**

- Service delivery within this area is poorly provided due to limited financial and human resources provision. This makes it extremely difficult to enforce by-laws. As a direct consequence, many town planning by-laws are broken and illegal land invasion occurs regularly. The greatest challenges faced in terms of environmental issues **include** the following:

- Alien vegetation eradication (specifically the Crack Willow which grows along the Kraai River and sucks up litres of water);
- Firewood collection that results in the destruction of trees;
- Grassland burning (indiscriminately) which heightens air pollution and loss of biodiversity;
- Dipping tank locations as these can poison water supplies (from streams);
- Borrow Pits which are not adequately rehabilitated;
- Drainage culverts that can either hinder or promote gully erosion;
- The proximity of all wastewater treatment works which may result in water contamination (risk of flood damage and spillage into dams, rivers and wetlands) causing contamination generally and risk to animals);

- Soil erosion which is the highest in the JGDM due to marginal soils being utilised for inappropriate agricultural practises;
- The registration and management of solid waste disposal sites;
- The lack of recycling at waste sites;
- The burning of and inadequate collection of waste leading to illegal dumping;
- Inappropriate land and hygiene practises leading to increased sedimentation and pollution of fresh and groundwater sources; and
- The increased invasion by alien and undesirable species like Slangbos and blue bush near Lady Grey and limited protection of environmental sensitive areas.

Limited financial and human resources makes it extremely difficult to control the environmental factors.

- **Access Roads & Bridges**

Access roads and bridges in the rural areas are generally of a very poor standard, due to the lack of maintenance and staff. It is also noted that rural people struggle to access services due to these factors and especially during the rainy period when the roads become impassable and flooded. Access to clinics and schools remains a challenge as people still have to walk long distances and the quality of the service is limited.

Concluding Statements: Demographics

- Population studies have indicated that Senqu is characterized as having a youthful population with low skills and high unemployment. There is there for a high need for tertiary and secondary education;
- The majority of the population lives in rural villages and relies on social grants;
- By far the majority of the population are black Africans;
- There is high migration to the more urban centres inside and outside the municipality for employment and educational opportunities;
- The high out migration to areas outside the municipality has an annual season with persons returning for the Easter and Christmas holidays;
- Senqu has an exceptionally low rate base; and
- There is a corresponding need for infrastructure and social services due to the high number of indigent people. This means that there is a risk that the equitable share contribution will remain insufficient to provide basic services as set out in the Constitution.
- Agriculture and Tourism as the major economic drivers of the local economy;

- Tourism reflects as a key potential economic sector, and economic driver, particularly with the inclusion of the country's only ski resort, Tiffendell; and
- Senqu is characterised by scenic beauty, hiking and wildlife attractions and trout fishing.

Natural Resources

NATURAL RESOURCE	
Major Natural Resource	Benefit / Potential
Mountains	Beautiful scenery (adventure and agricultural tourism)
Wind	Off grid and cleaner sources of electricity from wind
Rivers	Game fishing and tourism

1.3 FINANCIAL HEALTH OVERVIEW

NOTE: The Auditor General's Report for the current year is not yet available. This will influence an accurate assessment of the financial health of the organisation. Notwithstanding, a broad overview is provided.

- Senqu Municipality has been in receipt of an unqualified audit report for the past 5 years and for 2013/2014 a Clean Audit was received;
- Senqu Municipality was ranked by Africa Rating as being the number one (1) financial performer of local authorities within the Eastern Cape;
- The municipality's liquidity is considered to be relatively sound as the current ratio by far exceeds its short-term obligations;
- Assets and liabilities are well managed;
- This municipality is acknowledged as paying its creditors within 30 days, as is stipulated by the MFMA (except in situations where there have been disputes between the Municipality and the creditor);
- Employee costs have been underspent due to the vacant funded posts that have not yet been filled;
- One of the greatest challenges facing Senqu Municipality remains its high levels of outstanding debt (affecting cash flow directly). Strict credit control measures have been executed (as per Credit Control Policy and By-Laws) in order to ensure that this situation is effectively managed;
- Reporting to National Treasury in respect of performance reporting is being well achieved within the prescribed periods;

As an overall assessment the following indicators are highlighted:

• Capital charges to Operating Expenditure :	1.3%
• Liquidity:	6.8
• Outstanding debtors to Annual Revenue :	15.6%
• Creditors to cash:	7.8%
• IDP regulation financial viability figures:	
Debt Coverage	1768.2%
Outstanding Service Debtors:	11.3%
Cost coverage:	0.9

1.4 ORGANISATION DEVELOPMENT OVERVIEW

Organisational Development Performance

Reference is made to Chapter 4 as this issue is dealt with and reported on extensively in this section.

Introduction to Employee Personnel

In this instance reference is again made to Chapter 4.

Human Resources Management is well managed overall. Overall and certainly in terms of staffing it must be noted that:

- Staff have been appointed according to the Recruitment and Selection Policy and in accordance with the Employment Equity Plan;
- All staff are in possession of job descriptions and these have been written according to the TASK system of Job Evaluation;
- A new organogram was approved 31 January 2015, resulting in a number of amendments to align the staff establishment to the new Standard Chart of Accounts. All changes as per the approved organogram will only come into effect as from 01 July 2015. This will align to the functional structure required in order to meet the objectives of the IDP;
- Skills Retention remains a challenge, especially due to the geographical location of the municipality (rural nature) and the inability to offer competitive salaries;

- Council experiences scarcity of skills and as such a Scarce Skills Policy was adopted on 29 September 2014. The policy has not been implemented due to budget constraints; and
- Staff capacitation remains of critical importance and the development and the implementation of the Workplace Skills Plan ensures this occurs in a planned manner.

Managing the Municipal Workforce

As will be detailed further within this report it must be noted that numerous and varied efforts have been made in order to ensure that the municipal workforce is well managed. A strong administrative support structure has been created in order to facilitate this process. More specifically, it is noted that:

- Policies and procedures have been put in place, not simply as a matter of compliance, but to ensure that the manner in which work is performed occurs under guidance and with fairness to both the employer and employee. Funding constraints are the greatest challenge experienced when attempting to ensure that this occurs;
- An approved performance management policy is in place. Implementation is currently only at the level of the 556 managers. It is the intention to ensure that this policy is ultimately cascaded to all lower levels;
- OHS Committees have been formed and are functional in an effort to improve safety in the workplace;
- Policies implemented may be grouped within the areas of Labour Relations, Safety and Human Resource Management; and
- Risk is managed through the establishment of a Risk Plan and implementation thereof.

Capacitating the Municipal Workforce

This is well achieved through:

- The development of the Workplace Skills Plan (aligned to the IDP performance objectives) and based on a Skills Audit;
- The appointment of the Skills Development Facilitator to facilitate this process and function;
- The implementation of the training plan and reporting in terms of the implementation plans; and
- The development and approval of a training policy and study bursary policy (used to optimize the knowledge and skills of human resources within the organisation).

Managing Workforce Expenditure

Very strict protocols exist in an attempt to ensure that workforce expenditure is managed effectively and correctly. Protocols are in place to ensure that any changes to the payroll are checked and audited, prior to any change being sanctioned.

Failure to ensure that all controls are instituted will result in a greater degree of inaccurate data and an inability to identify and remedy any discrepancies between systems.

1.5 AUDITOR GENERAL'S REPORT

Auditor General Report: Year 2014/2015

Note: Information is not yet available for 2014/2015 and this report is only due to be provided in November 2015 after auditing of the first draft of the Annual Report.

1.6 STATUTORY ANNUAL REPORT PROCESS

ANNUAL REPORT PROCESS TABLE		
No.	ACTIVITY	TIMEFRAME
1.	Consideration of next financial year's Budget and IDP process plan. Aside from legislative content, this process plan should conform with in-year reporting formats so that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2.	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting).	
3.	Finalisation of the 4 th quarter report for previous financial year.	
4.	Submission of the draft year's Annual Report to Internal Audit and Auditor-General	
5.	Municipal entities submission of draft annual reports to Municipal Manager	
6.	Consideration by the Audit/Performance committee of the draft Annual Report of municipality and entities (where relevant)	August
7.	Tabling by the Mayor of the unaudited Annual Report	
8.	Municipal submission of draft Annual Report (including consolidated annual financial statements and performance report) to Auditor General	
9.	Annual Performance Report submitted to Auditor General to be provided as input into the IDP analysis phase	
10.	Auditor General auditing of Annual Report, including consolidated Annual Financial Statements and Performance data.	September – October
11.	Municipalities receiving and starting to address the Auditor-Generals comments	November
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
13.	Audited Annual Report is made public and representation is invited	
14.	Oversight Committee assesses Annual Report	
15.	Council adopts Oversight report	December
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	
18.	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

Comment on the Annual Report Process

The deadlines (as specified within the table above) have been necessitated in order to ensure that all required reporting occurs timeously and correctly and that correct and

accurate consolidation is possible – resulting in an Annual Report that is aligned to other strategic documents.

The Annual Report reflects the annual review of performance for the entire year. As a result, this document will provide the base that is used for forward planning. Under these circumstances it is even more critical that the accuracy of data is ensured with alignment between the IDP, SDBIP, Budget (AFS) and the Annual Report.

Alignment and validation of this information is ensured through auditing internally and externally. Validated data ensures that the Annual Report can be used to inform the IDP review, organogram, SDBIP's, SDBIP performance planning, Budget and the like, for the year that follows. This report is also required to reflect the comparisons between the current, past and planned future performance. Every effort must be made to ensure that the integrity of all data is maintained.

Efforts to obtain public/stakeholder comment must be formally made as this remains a public document that is required to be open to scrutiny and comment.

In an effort to ensure that this document is presented in the required manner and details the required data in terms of compliance, various drafts are required to be submitted timeously. The development/compilation of the Annual Report is an extremely time consuming process and if this is not undertaken in a structured and coordinated fashion, the timeous and successful achievement of this report will be severely compromised.

DISCLAIMER:

The information provided within this report is reliant on the information provided by the various departments. Information has not been audited and difficulties in validating data continue to be experienced. The accuracy of all information provided cannot be assured.

As this is the first draft of this report, it is understood that certain information is still lacking and of the information provided, this has not yet been fully verified and is still required to be formally audited. The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. These will be amended in the subsequent draft after the auditing of the financial statements and the Annual Report. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents.



CHAPTER 2

Governance

CHAPTER 2: GOVERNANCE

Introduction to Governance

Governance is examined under the following four (4) components:

Component A: Political and Administrative Governance

Component B: Intergovernmental Relations

Component C: Public Accountability and Participation

Component D: Corporate Governance

The manner in which each component functions will impact on organizational operational effectiveness. Effectiveness within each component is necessary while recognizing the need for a high degree of interaction and interdependence.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Introduction to Political and Administrative Governance

This component is responsible for the political and administrative frameworks (both internally and externally) – providing related policy, structures (political and administrative), procedures and compliance prescriptions overall, which ensure that operations occur in a sound and effective manner. In this manner, efforts are made to meet community needs in an ordered and structured manner, while ensuring high levels of efficiency and effectiveness while doing so.

The organizations operational focus is determined by the organizations strategic direction, which in turn is determined and aligned to the IDP objectives. These objectives are effectively translated into the performance targets that are reflected within the SDBIP. These targets are then translated into operational and management targets within the relevant performance scorecards. This system facilitates that performance targets will be monitored and met over a designated period of time in the manner prescribed. The successful achievement of these objectives is dependent on the available resources i.e. operational, human and financial.

The **political arm** exists in order to advocate and protect the needs of the community – facilitating the possibility of a better quality of life for all. Communication and involvement of the community in decisions, gives new meaning to the concept of a “people-centred government”. The **administrative arm** is required to ensure that there is sufficient infrastructure (human capital, resources, policies and procedures) in order to ensure that the strategic objectives can be met through effective management and

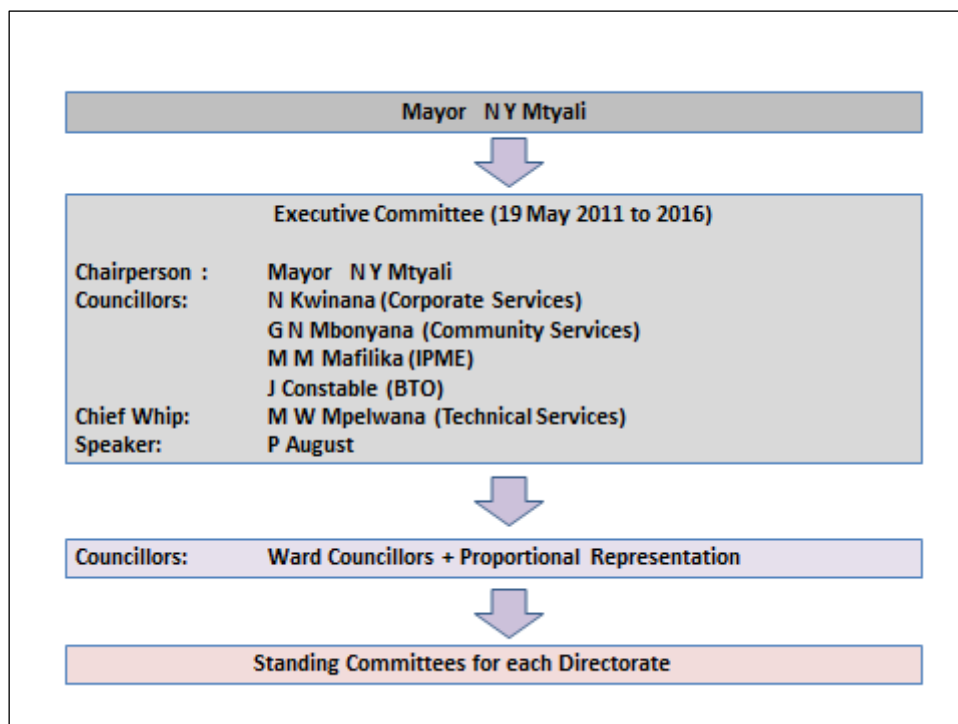
control of operations, service delivery and matters of compliance. In this manner a supportive and administrative role and function is provided.

2.1 POLITICAL GOVERNANCE

Introduction to Political Governance

A **Council Executive System** is to be found within Senqu Municipality (as per the Municipal Structures Act, Act No. 117 of 1988). To this end, it is a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors as reflected below.

Political Structure



Councillors are allocated to Standing Committees that meet monthly in order to discuss and investigate issues raised so that formal decisions can be made regarding the presenting issue/s and so that appropriate recommendations can be made to Council for final approval where necessary.

Councillors

Appendix A: Full list of Councillors (including the Committee allocations and attendance of Council meetings).

COUNCIL is comprised of 37 Councillors (Ward Councillors and Party Representatives) and this is reflected as follows:

Party Representatives:	13 x ANC Party Representatives
	2 x DA Party Representatives
	2 x PAC Party Representatives
	1 x UDM Party Representative
Ward Councillors:	19 Ward Councillors

Administrative responsibilities of Councillors/Council

- Political decisions are taken regarding service delivery;
- An oversight role in respect of Council is provided;
- Attendance of Council meetings (quarterly) and Special Council meetings (convened to address urgent issues – requiring urgent attention/action);
- To comply in terms of Chapter 3 of the Municipal Systems Act, (Act No. 32 of 2000). In this regard, the executive and legislative authority of a municipality lies with the Council and Council is required to take all the decisions of the municipality subject to s59;
- Executive Committee meetings are convened monthly and are constituted as follows: the Mayor, Political Heads of Standing Committees and the top management of the municipality; and
- Standing Committees meet in order to discuss or recommend that certain actions are taken by the Executive Committee or Council. These committees are chaired by the Portfolio Councillors who form part of the Executive Committee members. The other members are Councillors, who are elected by political parties, traditional leaders and the administration.

Committees of Council (Standing Committees, MPAC, Traditional Leaders, Ward Committees et al)

Appendix B: The committees applicable to Councillors and their purpose.

Standing Committees

- 5 Standing Committees are functioning and correspond with the 5 Directorates;

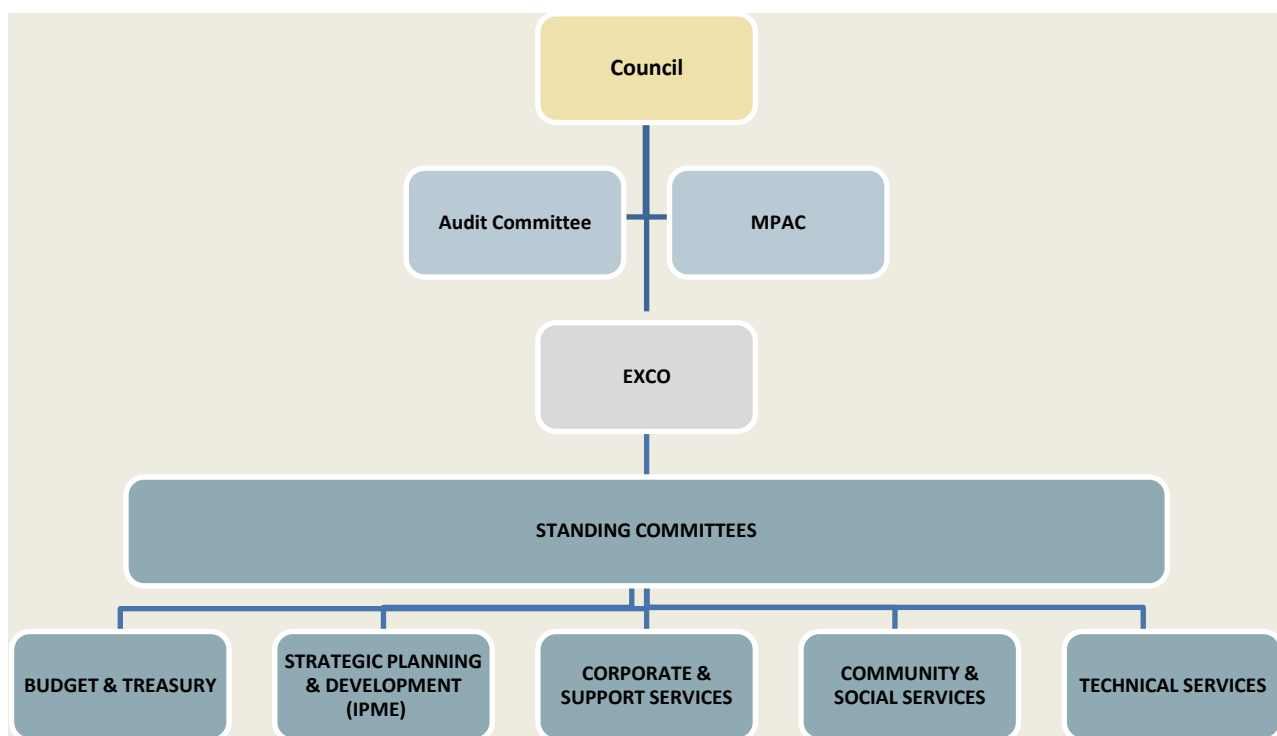
- Committee meetings are held monthly as scheduled;
- Information and recommendations from these are submitted to the full Council, for consideration; and
- All Councillors are required to serve in the Standing Committees with the exception of both the Mayor and the Speaker.

The role and function of the Standing Committee is to ensure that the process of informed decision making is facilitated. Councillors who serve on these Committees become more knowledgeable about the directorates with which they are linked. In this manner and with heightened knowledge they are able to make more informed decisions regarding the challenges and operational issues facing the directorate in whose committee they serve. When issues are referred to full Council, they are able to contribute at a higher level and guide discussion in a helpful, positive and insightful manner. In this manner, decision making abilities are greatly improved and decisions made are regarded as being “informed decisions”.

Approved & functioning Standing Committee Structures:

<p>BUDGET & TREASURY</p> <p>Chairperson : Cllr J Constable Councillors : Cllr S Mfisa Cllr I S van der Walt Cllr B.S Majodina Cllr M Gojo</p> <p>Focus Areas Management of financial resources Policies, Procedures and By-lays (MFMA & National Treasury) Financial support to all Departments</p>	<p>CORPORATE & SUPPORT SERVICES</p> <p>Chairperson : Cllr N Kwinana Councillors : Cllr NC Motemekwane Cllr S Mziki Cllr N R Nthako Cllr R M Joubert Cllr MJ Sereba</p> <p>Focus Areas Council Administration Departmental Corporate Support Legal Compliance By-Laws</p>
<p>INTEGRATED PLANNING MONITORING AND EVALUATION</p> <p>Chairperson: Cllr Mafilika Councillors : Cllr N Nombula Cllr L Tokwe Cllr A P April Cllr M Moeletsi Cllr M Senoamali Cllr N C Mraji</p> <p>Focus Areas Support to community participation structures Communications Management and Customer Care LED PMS Risk and Compliance</p>	<p>COMMUNITY AND SOCIAL SERVICES</p> <p>Chairperson : Cllr G Mbonyana Councillors : Cllr I Mosisidi Cllr M Ngendane Cllr J Lamani Cllr M G Moeletsi Cllr A H Sobhuza</p> <p>Focus Areas Community based service provision Community based by-laws Waste Management</p>
<p>TECHNICAL SERVICES</p> <p>Chairperson : Cllr M Mpelwane Councillors : Cllr M J Mjali Cllr G Mvunyswa Cllr P G Key Cllr B Ngogodo Cllr SS Tindleni</p> <p>Focus Areas Infrastructure Development (Maintenance & Construction) Technical Service Delivery PMU Administration Town Planning</p>	

Oversight & Audit Committees



As reflected within the diagram above it is noted that the processes of oversight, auditing and audit verification are undertaken by the following structures:

- Audit Committee
- MPAC (Oversight Committee)
- Auditor General (external auditor)

Note: Decision making is required to occur according to the following structure and hierarchy: from Standing Committees to EXCO and finally to Council. In this manner an informed decision is made possible. Oversight is provided by the relevant structures - ensuring compliance and correctness of operation at all times.

Audit Committee

Committee responsibilities and performance:

- Established in terms of s166 of the MFMA 56 of 2003 and comprised of four (4) independent members;
- Required to meet quarterly. During the 2014/15 financial year the following meetings occurred: 28 August 2014; 08 December 2014; 16 February 2015 and 18 May/2015;
- The Audit Committee's Charter was reviewed on 1 December 2014 and this was approved by Council on 5 December 2014;

- The committee performs an advisory function and role for the municipality and is directly accountable to Council. In this regard it plays a key role in ensuring that there is accountability and transparency within the organization;
- The quarterly performance information was reviewed in terms of compliance;
- Unaudited financial statements were reviewed prior to submission to the Auditor – General as per prescriptions of compliance;
- An objective view on the effectiveness of the municipality’s risk management processes was provided each quarter in terms of compliance and specific feedback was provided to the Accounting Officer and Council in this regard;
- Responsibility for oversight on the integrity of financial controls, combined assurance, compliance management and meaningful integrated reporting to stakeholders is taken (and required in terms of compliance);
- The committee discharges its responsibilities by using work done/information received from the internal audit unit and other information presented to it by the management at its quarterly meetings;
- The committee minutes containing comments, resolutions and reports on work performed by the internal audit and the committee, were approved at these quarterly meetings;
- Approved internal audit reports are distributed quarterly to the Accounting Officer, the Mayor and the chairperson of the Municipal Public Accounts Committee (MPAC) for notification and to management for action;
- The chairperson of the audit committee reported to the Council on 29 May 2015 on the effectiveness of governance, internal audit, internal control systems, risk management issues, accounting policies, performance management, progress made by the management in addressing issues raised by the AGSA in its 2013/14 management report and adequacy, reliability and accuracy of financial reporting and information; and
- The chairperson submitted the Audit Committee Report to MPAC on 29 January 2015, for consideration during the MPAC engagements on the oversight report which become part of the 2013/14 Annual Report.

The Audit Committee was constituted as follows:

MEMBER	POSITION
Mr Z Luswazi	Chairperson
Mrs A De Klerk	Ordinary Member
Mr L Govender	Ordinary Member
Mr L Spofana	Ordinary Member

Note: A Senior Audit Executive and an Internal Auditor facilitate the audit function in-house.

External auditors are invited to all quarterly meetings of the committee to ensure that there are no unresolved issues of concern.

Internal Audit Unit

- The internal audit unit was established in terms of s165 of the MFMA 56 of 2003 and it comprises four (4) members including the head of the unit (that are sourced in-house);
- The IT “General Controls Audit” was conducted by the services of KPMG. The related outcomes report was tabled at the Audit Committee meeting held on 18 May 2015;
- The Internal Audit Charter was reviewed by the head of the unit, accepted by the Accounting Officer and approved by the Audit Committee on 16 February 2015;
- The risk based Annual Audit Plan was approved by the Audit Committee on 12 June 2014. In terms of this, fourteen (14) programmes were implemented, while the review of the annual & mid-year financial statements was subsequently removed from the plan. This was agreed to by both the senior management and the Audit Committee, as these projects were not considered high risk for the municipality based on previous experience;
- The quality assurance review of the Internal Audit Unit was not completed due to issues around the terms of reference which needed ratification. This project has now been planned for the 2015/16 financial year;
- During this period, the Internal Audit evaluated the effectiveness and efficiency of controls, risk management, accounting procedures and practices, reliability and integrity of financial and performance information, safeguarding of assets, loss control and compliance with all regulations relevant to areas reviewed;
- Recommendations to improve controls were made and form part of information reported on in the audit reports approved by the Audit Committee at its quarterly meetings. These meetings were held: 28 August 2014; 8 December 2014; 16 February 2015 and 18 May 2015;
- The Internal Audit Unit conducted one (1) formal consulting engagement which was not part of the approved annual Internal Audit Plan;
- All staff members participated in the Continued Professional Development Programmes which were part of the approved Workplace Skills Plan; and
- The Senior Audit Executive attended meetings as follows:

MEETINGS ATTENDED BY INTERNAL AUDIT	DATES ATTENDED
MPAC	9 March 2015
EXCO	29 October 2014
	26/11/2014
	23 January 2015
	27 May 2015
	25 June 2015
SCOA Steering Committee Meetings	23 July 2014
	13 August 2014
	10 & 11 September 2014
	22 & 23 October 2014
	27 & 28 November 2014
	15 January 2015
	5 March 2015
	9 April 2015
	8 May 2015
	3 June 2015
Audit Committee Meetings	28 August 2014
	8 December 2014
	16 February 2015
	18 May 2015
Council Meetings	26 June 2015
	30 January 2015
	5 December 2014

MPAC (Municipal Public Accounts Committee)

Functions of MPAC

- Responsible for oversight on the administration and executive committee of the council;
- Reviews the municipal / municipal entity's quarterly, mid-year and annual reports and oversight report on the annual report for consideration by Council;
- Assists council to maintain oversight over the implementation of Supply Chain Management Policy;
- Examines the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluates the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- Promotes good governance, transparency and accountability on the use of municipal resources;
- Examines the Mid-Year Review documents in line with the IDP; and

- Recommends or undertakes any investigation that falls within the scope of this committee's responsibilities/ area of competence.

To fulfil its functions MPAC may/is required to:

- Seek / have access to any information required from any councillor/employee;
- Report to council on the activities of the committee;
- Perform any other function assigned to the committee through a resolution of Council;
- Have the right to call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity;
- MPAC may request the support of the internal and external auditors when necessary;
- MPAC may engage directly with the public and consider public comments when received;
- The committee shall have permanent referral with regard to the following reports:
 - Mid-year /In-year s72 reports
 - Annual Financial Statements
 - Reports of Auditor General and audit committee
 - Any other financial audit report from the municipality
 - Information on compliance in terms of sections 128 and or sections 133
 - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
 - Performance information of the municipality.

During the 2013/2014 period it is noted that MPAC:

- Developed its annual work plan which is executed by the committee at its meetings held quarterly or monthly as determined by the committee;
- Requested the administration to provide progress in line with the committee's approved plan at its quarterly meetings and approved internal audit reports, audit committee resolutions and work performed by the audit committee and internal audit;
- Considered irregular expenditure reported to it by management and made its recommendations to the council; and
- Drafted its oversight report that was part of the Annual Report and provided it's comments and recommendations on management's action plans developed in order to address findings raised by the Auditor General in its audit report.

During the 2014/2015 period it is noted that MPAC:

- Held meetings as follows:
 - Q1: 2 July 2014; 23 July 2014; 20 August 2014 and 22 September 2014
 - Q2: 31 October 2014; 4 November 2014; 19 November 2014 and 24 November 2014
 - Q3: 27 February 2015; 9 March 2015; and 18 March 2015
 - Q4: 15 April 2015; 23 April 2015; 14 May 2015; 9 June 2015 and 23 June 2015
- As with the previous year, the annual workplan was drafted and implemented;

- Oversight was provided as prescribed and in terms of any other issues deemed necessary; and
- The oversight report for 2013/2014 as part of the Annual Report was drafted and comments and recommendations on management's action plans were developed in order to address findings raised by the Auditor General in its audit report.

Ward Committees Establishment and Functionality

Ward Committees are established in terms of section 73 of the Municipal Structures Act 117 of 1998.

Purpose

As per s74 of the Municipal Structures Act 117 of 1998, the purpose is to assist Municipal Councils in ensuring that ward issues are properly communicated by their respective municipalities and are catered for should there be a need for a budget to address such issues. These meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This has assisted the municipality in ensuring that public participation is enhanced and accountability of the municipality is not compromised. In the brewing protests in Sterkspruit information was communicated via this channel, especially on issues such as Municipal Public meetings and other information sharing sessions.

During 2013/2014 this process continued with the CLO developing the schedule for Ward meetings and providing the required administrative support. Notwithstanding the Sterkspruit protests this structure of council has greatly assisted the municipality in disseminating information to members of the public in that area.

During 2014/2015 Ward Committee meetings were held in all 19 wards on different dates. These meetings have been attended by around 180 community members. Issues raised by ward committees are reported quarterly to the Executive Committee. From the results thereof it appears that these meetings and this method of communication appears successful with issues being resolved. This system ensures that council is kept current on all issues raised within Ward Committee meetings. During this financial year it was noted that during Q1 Ward Committee Operational Plan Training was implemented in order to capacitate and assist with the wards so that structured reporting could be completed. The training was implemented and a report was submitted to the Standing Committee. No reports were submitted to the Standing Committee on the functionality of ward committees in the second quarter. In Q4 meetings sat on 18 to 19 May 2015. The reports have been submitted to the Standing Committees during the 3rd and 4th quarter as required.

Administrative Considerations

- Ward Committees were established as required and in terms of Gazette No. 1405, Notice no. 209 of 9/12/2005;

- The Municipality published its By-Laws relating to Ward Committees in terms of s13 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) read with s162 of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996).
- In terms of these prescriptions the following issues are required to apply:
 - Representation on Ward Committees shall not be according to political party affiliation and will include religious, youth, civic, education, sport, culture, business, welfare, and women's associations;
 - Committees are required to meet at least once per quarter and report formally to the Municipal Manager at least quarterly through their Ward Councillor;
 - The term of office of a member is a period of two years;
 - The Mayor is responsible overall for the functioning of the Ward Committees and will meet at least quarterly with all Ward Committees to discuss issues of mutual concern and issues to be addressed;
 - The Mayor shall submit a 6 month report to Council on the activities and considerations of the Ward Committees;
 - Each Committee will be chaired by its respective Ward Councillor. During Ward Committee meetings, the community members are briefed about developments in their ward and within the municipality itself. In this manner, a consultative community structure is created and maintained; and
 - In order to facilitate the smooth running of these communities a code of conduct has been developed which will in turn be work shopped.
- In keeping with all required legislation it must be noted that:
 - All records of meetings scheduled and attended are maintained (minuted);
 - Minutes of all meetings are made available;
 - Written proof of resolutions tabled to Council are made available;
 - Minutes are available for all feedback meetings with communities; and
 - Ward Committee activity reports are made available to all.

As indicated, not all Ward Committee meetings have taken place due to a lack of quorum and resultant postponements. Notwithstanding, efforts are being made (through training) to improve the efficiency and functioning. Additionally the members are required to travel huge distances and members are now paid an "out of pocket" expense stipend of R1 500 per month to facilitate attendance. No stipend is paid without proof of attendance and meeting minutes.

Community Development Workers (CDW's)

- 14 CDW's were appointed ;
- Objectives of CDW's:
 - To interact with the community and identify households in need; and
 - To ensure that community relationships are nurtured so that community participation, support and correct utilization of services occur as a result of effective marketing.

Functioning of CDW's

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose);
- CDW's report monthly to their co-ordinator in Sterkspruit in order to provide operational monthly reports i.e. reports on activities performed. Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office;
- All Ward Committee meetings are attended by the CDW's who also then provide assistance to the Ward Councillors in respect of the dissemination of information.

Note: Difficulties in communication in respect of the CDW programme have not yet been resolved. It would seem that this was in part due to misunderstandings by the Ward Councillors as to the role of the CDW's and this in turn resulted in miscommunications and "turf wars". Through additional training in this regard, it is hoped that this challenge will be addressed over time and especially with the appointment of the new Council.

CDW's report to the relevant government department by utilizing designated reporting mechanisms in an effort to obtain required support and assistance for particular households. Round Table Meetings are held quarterly and chaired by the Speaker. COGTA representation is to be found at these meetings. CDW's report on their activities performed, while detailing challenges experienced within the communities in which they work – with a view to resolving these at higher levels.

While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

COMMITTEES AND COMMITTEES PURPOSE

Committees (other than Mayoral /Executive Committee) and Purpose of Committees	
Municipal Committees	Purpose of Committee
Audit committee	Administrative Oversight
Municipal public accounts committee	Oversight
Remuneration committee	Remuneration Issues
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance

COMMITTEES & COMMITTEE PURPOSES (CONT)

Committees (other than Mayoral /Executive Committee) and Purpose of Committees	
Municipal Committees	Purpose of Committee
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the Ethical issues of the Council
Corporate & Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
IPME Committee	To discuss, recommend and dealing with council related business.
Occupation Health & Safety Committee	To carry out and discuss all the OHS issues of the Council
Employment Equity Committee	To carry out and discuss all the EE issues of the Council

The following Traditional leaders are recognized and consulted as and when appropriate.

B Pitso	Traditional Leader
K A Nombula	Traditional Leader
T Kakudi	Traditional Leader
N J Tikiso	Traditional Leader
I Jafta	Traditional Leader
N H Binza	Traditional Leader
Z Mphambo	Traditional Leader

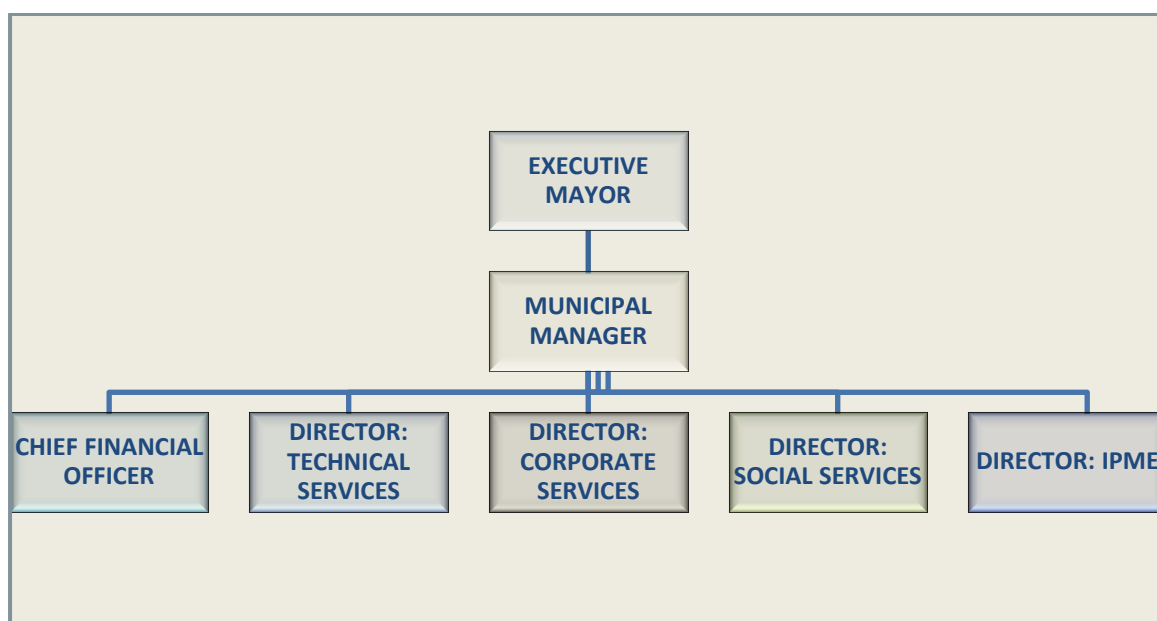
Political Decision Making

As already illustrated, political decisions are made through Standing Committee resolutions (after examining reports submitted) and at times these are forwarded to Council for a decision from Council i.e. Council Resolution. Actions taken must be taken strictly in accordance with a resolution number in order to be valid. A Resolution Register provides detail regarding action to be taken and follow ups are conducted in order to ensure that resolutions are acted upon.

2.2 ADMINISTRATIVE GOVERNANCE

Introduction to Administrative Governance

The functional structure representing administrative governance is reflected as follows:



As depicted by the diagram above, the administrative structure consists of the Municipal Manager (Administrative Head) and the five (5) s56 Managers (Directors) who report to the Municipal Manager.

More specifically:

- The s56 managers are appointed on a 5-year fixed term contract;
- Performance Agreements are signed annually between the s56 managers' and the Municipal Manager (to whom they report). This details their specific contract conditions and together with an annually reviewed performance scorecard, their

performance goals and objectives are agreed to annually (targets). It is against these that their performance will be measured; and

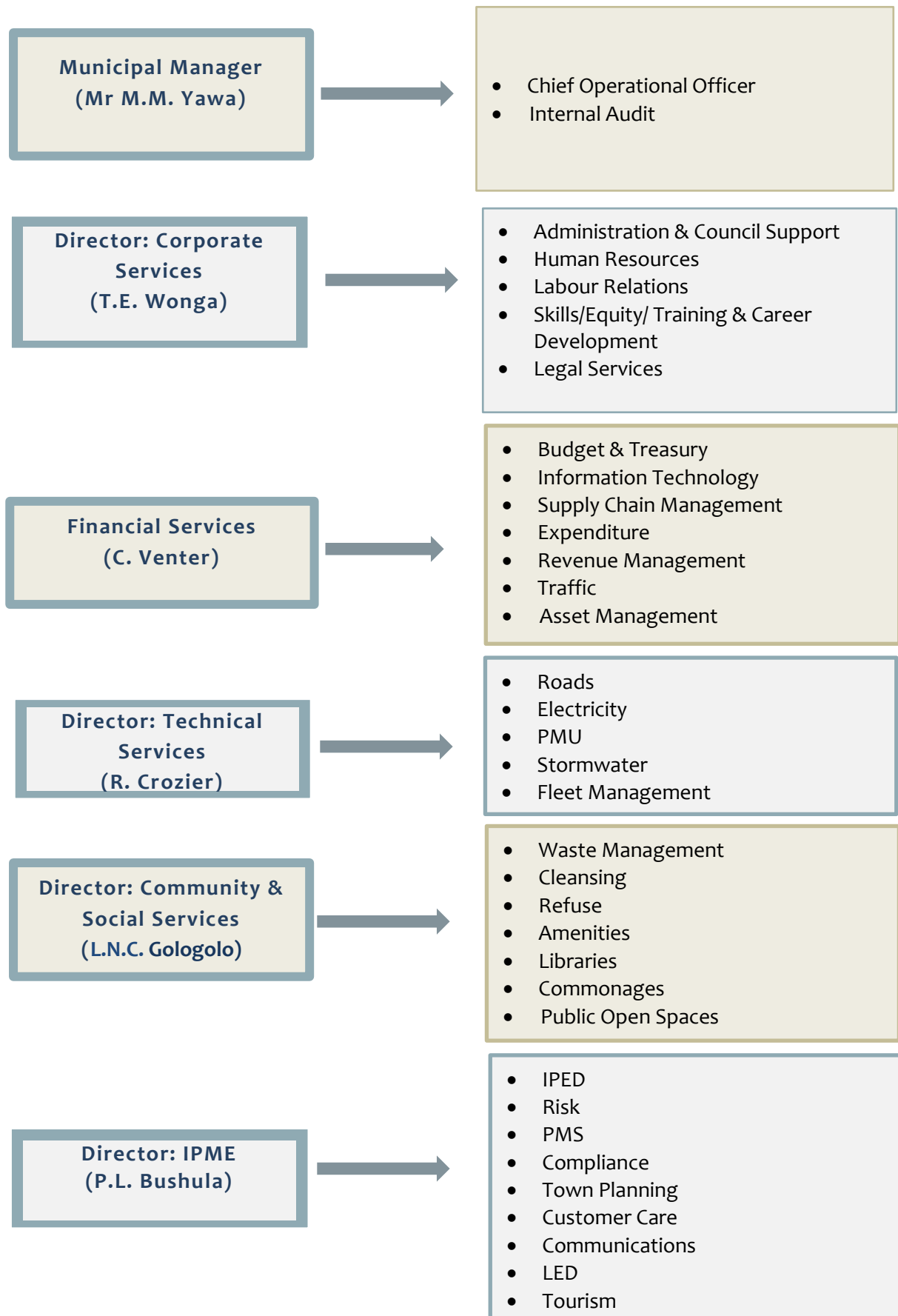
- S56 managers' report regularly to the Municipal Manager regarding performance and issues requiring appropriate action.

Reporting Relationships and Administrative Functioning

- Directors report directly to the Municipal Manager re – functional issues regarding their directorates;
- Reporting occurs as per reporting lines and recognized communication structures (encouraging free flow of communication);
- Directors compile/present reports to Council regarding own directorate monthly (to the Standing Committees), who then recommend that these are approved/taken to Exco/Council as deemed appropriate (for final approval /resolution);
- Council resolutions are required to be effected within a specific period and follow ups are required to be undertaken in order to ensure that this occurs as required and timeously;
- Directors are required to meet the terms and conditions of the approved Performance Management Policy; and
- Directors are required to ensure that all reporting occurs in terms of compliance and in respect of all internal controls and systems.

The table that follows details each directorate, the name of its director and the functional requirements for each directorate:

THE FUNCTIONAL NATURE OF EACH DIVISION (DIRECTORATE IS REFLECTED BELOW):



COMPONENT B: INTERGOVERNMENTAL RELATIONS

Introduction to Co-operative Governance and Intergovernmental Relations

It is recognized that organizations benefit from both individual and shared experiences. In this manner, opportunities are created for organizations to share and learn from each other and to develop more effective skills to handle day to day and specific challenges.

In an ongoing quest to improve the manner in which organizations operate, IGR (intergovernmental relations) structures have been put in place and are driven at the level of the district. Accordingly, the IGR Forum has been established in order to formally promote and to improve this process.

To facilitate this process and concept, an Intergovernmental Relations Framework Policy was adopted by the district (Joe Gqabi District Municipality) and related structures were created that were linked to the following clusters:

- Social Needs;
- Economic and Infrastructure;
- Safety and Justice; and
- Governance and Administration.

These clusters meet within the district by-monthly, in order to discuss service delivery, policy issues, integration, co-ordination, monitoring and evaluation.

Existing and Functional Structures

Aside from the clusters, the following structures exist:

- **The District Technical Task Group;**
- **The District Mayor's Forum (DIMAUFU);**
 - Meets quarterly to align key programmes and issues that relate to municipalities
 - This is a s79 committee (special committee that consists of Mayors of all Local Municipalities within Joe Gqabi District Municipality);
- **MUNIMEC Meetings`**
 - Attended by Mayor and Municipal Manager;
 - Driven and coordinated by MEC for Co-operative Governance (to evaluate the performance of government programmes);

- **Presidential Hotline**

- This hotline is to be commended for efforts and achievements which have seen it standing at 95% efficiency during the previous financial year; and
- Following the provincial and national elections, the Presidential Hotline was found to be misplaced and in terms of this, experienced a number of operational challenges within municipalities. More specifically, connecting to the Hotline proved extremely challenging and once connected, it was found that removing resolved cases from our system was extremely difficult/near impossible. In an effort to successfully manage this, the Customer Care Officer obtained a direct contact at the National Office and this assisted the municipality in resolving the termination of resolved cases from the system.

- **IDP Representative Forum**

- Consultation with Sector Departments; and
- Links IDP processes.

- **Public Participation**

- Informed in part by the IDP Process Plan; and
- Efforts are continuously made in order to improve and create conditions to facilitate public participation; and
- As from August 2014, the Mayor began a “village-to-village” campaign. This was aimed at ensuring/facilitating that all community members within the Senqu municipal area would be reached. Unfortunately the mayor was involved in an accident and this affected the number of meetings held.

2.3 INTERGOVERNMENTAL RELATIONS

National Intergovernmental Structures

The 2012/2013 political uprisings in Sterkspruit continued to have impact during the 2013/2014 period. During the previous year the National Minister of Co-operative Governance formed a task team specifically aimed at investigating issues raised by the Sterkspruit Civic Association as well as to mediate between them and the municipality. 2014/2015 saw resolution of this issue.

Provincial Intergovernmental Structures

Munimec meetings are attended as and when run. Munimec technical team and political team meetings are scheduled and attended accordingly. These meetings are held in order to discuss and to resolve issues of mutual interest with neighbouring municipalities. Reference is made to Appendix D (detailing a complete list of entities and delegated functions).

Historically, Senqu Municipality has had good relations with all local municipalities within the district. As a case in point it must be noted that in the past Gariep Municipality has benefitted by visiting Senqu Municipality – ensuring that it has been able to impart best practice principles and experience with Gariep.

District Intergovernmental Structures

Efforts to improve intergovernmental relations are driven at the level of the district. The IGR Forum has been used in the past to promote this process and Joe Gqabi District Municipality has adopted an Intergovernmental Relations Framework Policy. Intergovernmental structures were created (linked to the clusters of Social Needs; Economic and Infrastructure; Safety and Justice and Governance and Administration) and these are functional. Notwithstanding it must be noted that the District IGR Forum has not been active for the last financial year.

Additional structures have and do include:

- The District Technical Task Group;
- The District Mayor's Forum (DIMAUFU) – meeting quarterly in order to align key programmes and issues between all municipalities within Joe Gqabi District Municipality. This s79 committee comprises the Mayors of all local municipalities within the district. It was unfortunate that within this financial year, the MM was not able to attend due to other work commitments.

As is clearly observed, in this manner, many opportunities are provided for the benefit of both district and local municipalities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Overview of Public Accountability and Participation

Every year formal opportunities are created in order to provide the public with opportunities to input into organizational objectives and the manner in which services need to be and are addressed. In addition they are given opportunities to “interact” with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and Annual Reports and the like). In this

manner, a “people centered” organization is created – one in which the needs of the community are noted and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created in order to ensure that public participation occurs effectively – ensuring that the needs of the public are met.

2.4 PUBLIC MEETINGS

Communication, Participation and Forums

Historically, it is noted that the Communication Plan and Strategy was adopted and implemented successfully and it was required that implementation reports be submitted quarterly to Council.

The Public Participation Forum was launched on 12 and 13 June 2013. Ward Committee members, Councillors, members of the LED Forum, SPU and government departments were invited to form part of this process. At that point great emphasis was placed on the Mayoral Imbizos’ in order to utilize the information obtained to identify and inform key projects for the coming year. Input from the community, budgetary constraints and operational issues and challenges were used to inform and choose projects that appeared in the municipal 5-year IDP (2011-2016). Community information sessions and feedback were used to prioritize these projects for each subsequent year. The results of this were then prioritized within the IDP and Budget Representative Forum and the prioritized projects (municipal and government) were then tabled to Ward Committee members. In this manner the municipality was able to align its programmes with those of various government institutions for 2014/2015.

The report on the implementation of the Public Participation Plan has been submitted to the standing committee of 22 July 2014 in the first quarter. In the second quarter, the report for Public Participation was submitted to the standing committee and the Public Participation meeting was combined with the round table and IDP Representative Forum meetings on the 01 December 2014 and on the 08 December 2014. During the third quarter a Public Participation meeting was held on the 18 March 2015 and this report submitted to the standing committee. During the fourth quarter, a roadshow that was supported by various departments was completed as part of the public participation initiative.

Communication continues through Ward Committee meetings, radio talk shows and printed media. Additionally, the Presidential Hotline and the manual receipt of complaints are also being utilized in order to address all complaints received from communities and other stakeholders. Regular reporting of issues raised/discussed are

submitted to the standing committee. In an effort to heighten the success of customer care initiatives, the municipality has launched a Customer Care Number which is continually advertised to communities. Despite the intention of this initiative it is noted that this is not effectively used by community members. Mayoral outreaches provide a forum for community complaints and it is here that many community complaints are received. The Customer Care Officer and Clerks register the complaints in the Complaints Register, facilitating that this is then formally dealt with.

During the first quarter, the Communication Plan was submitted to the July standing committee. The report on its implementation was submitted to the August Standing Committee. It must be noted that reports about the implementation of the Communication Plan were not submitted to the Standing Committee during the second quarter. As part of the implementation of the Communication Plan in the third quarter, a Media Article was sent to the Daily Sun and other Local Newspapers in order to increase publicity about the municipality. During the fourth quarter, reports on the implementation of the Communication Strategy Plan were submitted to the standing committee. In an effort to improve the capacity of Councillors to handle talk shows on radio in order to successfully address communities, a Media Capacity Building Training programme for Councillors was planned and run.

Efforts to improve public participation and communication have involved the extensive use of other communication media. These include:

- Newspapers (reporting on highlights) such as: Daily Dispatch, Aliwal Weekly, Daily Sun, Barkly East Reporter and the Eagle Eye News;
- Broadcast media such as: Takalani Community Radio, Ekhephini Community Radio and LA FM Community Radio. These are used for media activities such as: advertising of Mayoral Outreaches and in order to communicate with the community generally. Mhlobo Wenene is used only when the need to advertise broadly is required, as this represents an extremely costly option;
- Efforts to produce and publish the internal and external newspapers have not been successful. This challenge has been experienced over the past 3 years and it is strongly recommended that this target be re-visited and adjusted accordingly;
- In addition it is noted that budget consultations occur twice annually (once to collect community needs and once to report on needs). In doing so, these meetings usually include traditional leaders, CDW's, community members, ward committees and other interest groups applicable to these wards.

Other Roleplayers Used to Improve Public Participation

In addition the following role-players are used to heighten and improve public participation overall:

Community Development Workers (CDW's)

The CDW's report to province, but also report to the municipality via the Round Table Meeting which is held quarterly. Communication and cooperation is facilitated by these round table meetings where issues relating to the wards may be discussed. These discussions are chaired by the Speaker and meetings are constituted as follows: Ward Councillors, Traditional Leaders, Local Government, Traditional Affairs Representatives and CDW's.

Economic Development Forum

This forum is required to meet quarterly and comprises all stakeholders involved in LED. Issues and challenges relating to LED implementation are discussed and the forum monitors the implementation of the LED Strategy.

Communications Forum

This is required to meet quarterly in order to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives.

Ward Committees

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created in order to facilitate ward communication with Council.

Committees meet monthly and report to the Speaker regarding issues of interest. Historically, meetings have not always been held as regularly as required and in an effort to improve attendance, the payment of stipends was recommended by National Treasury. Financial constraints have impacted negatively on this.

These committees are extremely effective in facilitating 2-way dissemination of information, notwithstanding any challenges experienced with Sterkspruit.

Senqu Ward Committees are effective in the sense that issues raised by ward committees are reported on quarterly to the Executive Committee. This ensures that council in general is on board of function of the ward committees at all times.

Reference: Appendix E (Ward Committee Governance) and Appendix F (Performance Data for Wards)

Comment on Effectiveness of Public Meetings Held

Public Meetings are held regularly by the Mayor and Speaker and these meetings are very effective in disseminating information to the communities. It is recognized that despite progress and the effectiveness of meetings held, ongoing efforts must continue in order to increase opportunities for Public Participation.

2.5 IDP PARTICIPATION AND ALIGNMENT

s34 of the Municipal Systems Act, (Act No 32 of 2000), together with Chapter 2 of the Local Government Municipal Planning and Performance Management Regulations (No. 796/2001) require the completion of the IDP. This 5-year document was first compiled in 2002, then in May 2006 and more recently in 2011 (for the 2011-2016 period).

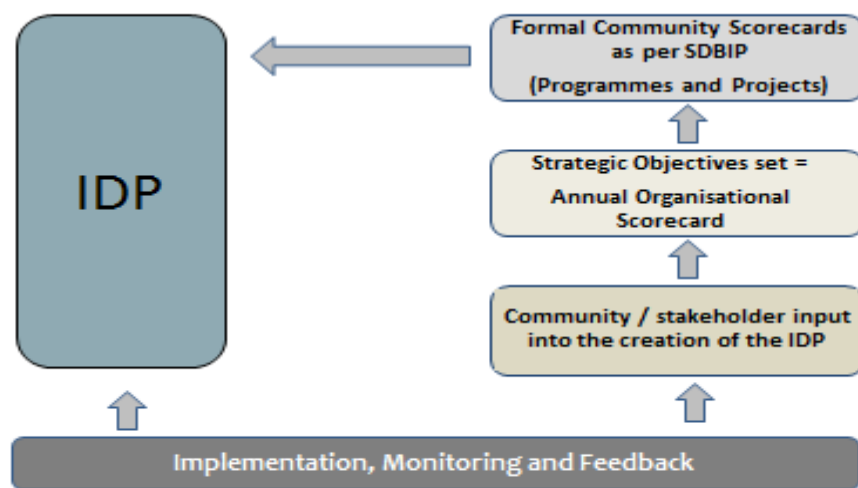
The IDP is required to correspond with each new Council's elected term of office. The IDP is a strategic document that directs and influences the functioning of the organization overall – informing the strategic direction and operation of all projects and planning that occurs internally.

Diagrammatically (as per the diagram reflected below), the impact and role of the IDP is explained more thoroughly as follows:

- It is imperative that there is alignment between the IDP, Budget and the SDBIP. In this manner, the achievement of performance objectives as reflected in performance scorecards will facilitate the achievement of the IDP strategic objectives;
- In accordance with this philosophy, alignment must be carried through to the population of the s56 managers scorecards and to the levels below;
- The assessment of the degree to which performance targets are achieved is facilitated through regular assessment and reporting structures. Reporting structures are in place in order to ensure that implementation, monitoring and feedback occurs ongoing – thereby ensuring that every effort is being made to meet the IDP objectives;
- The IDP is developed for a period of 5 years and is reviewed annually – detailing and aligning the annual targets according to current resources (which impact on the achievement of objectives);
- A Process Plan is developed annually which informs the manner in which the IDP will be reviewed and managed (and public participation will be maximized);
- Planned meetings are detailed and scheduled as required; and
- Performance is evaluated according to the use of the Budget Evaluation Checklist;

- The Budget Executive Committee meets regularly in order to evaluate the previous year's budget process – learning from current and past situations.

Figure: Development of the IDP & Related Public Participation



In keeping with the practice of planned IDP related consultations, the following meetings and achievements occurred:

- The SDBIP was formally adopted;
- The draft IDP (2014/2015) was developed and adopted by Council on 28 March 2014;
- The IDP Representatives Forum and related public participation meetings were held 01 December 2014, 18 March 2015 and 11 June May 2015 (where a combined Public Participation Forum and IDP Rep Forum was held). Reports were submitted to the related standing committees;
- During the fourth quarter a roadshow (supported by various departments) was completed as part of the public participation initiative; and
- Round Table Meetings were held on 10 September 2014 (the first for the year), 01 December 2014, and 28 May 2015.

Despite these challenges, all needs and inputs (as identified) were recorded, prioritized and included in Council's Integrated Development Plan (which was adopted by Council).

The table below provides a brief analysis of the participation and alignment that resulted in the development of the IDP and related documents.

IDP PARTICIPATION AND ALIGNMENT CRITERIA* 2014/2015	YES/NO	COMMENT
Does the municipality have impact, outcome, input, output indicators?	Yes	
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	
Does the IDP have multi-year targets?	Yes	
Are the above aligned and can they calculate into a score?	Yes	In only 2 instances the KPI's are assigned to different KPA's. Scoring can be done.
Does the budget align directly to the KPIs in the strategic plan?	Yes	
Do the IDP KPIs align to the Section 56 Managers *in many instances the targets reflected in the IDP don't reflect just single or related targets, but seem to be combined on many levels. When this occurs it is extremely difficult to set a target and to measure appropriately. Accordingly, when this has occurred as with this target, the targets within the SDBIP have been split into more manageable targets. Nothing in essence has changed but a single target in the IDP may represent as three targets in the SDBIP with no loss to content or meaning ---simply enhancing the ability to manage and control.	Yes	Scorecards are developed from SDBIP. In certain instances targets may be re - arranged into more suitable KPA's. In this instance no material change is noted and the target remains applicable and as measured as before.
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes	Municipal Performance Management Regulations s10g
Were the indicators communicated to the public?	Yes	Process Plan
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	

COMPONENT D: CORPORATE GOVERNANCE

Overview of Corporate Governance

Corporate Governance is required to ensure that all legislative prescriptions are adhered to and in so doing to ensure that the rights of all stakeholders are protected.

Governance and compliance issues are required to be managed in the strictest sense. The administrative arm and related/designated human resources are required to ensure that all prescriptions (legal / policy prescriptions) are adhered to as prescribed, in order to ensure that the organization functions effectively and minimizes/eradicates aspects of risk.

This section will detail issues relating to: Risk Management, Fraud and Anti-Corruption, Supply Chain Management, By-laws, Website access and Public Satisfaction levels --- all in terms of compliance.

2.6 RISK MANAGEMENT

Risk management is a compliance issue that is required in terms of the MFMA section 62(i)(c). This requires that a municipality has and maintains an effective, efficient and transparent system of risk management.

While risk management is highlighted in terms of compliance, it must be noted that its real benefit has more to do with the fact that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). These costs cannot be justified, particularly if the risk had been noted and no appropriate action was taken – it would therefore reflect as poor business practice and poor management – resulting in extreme costs to the organisation, not to mention audit queries and possible audit qualifications.

Top 5 Risks (2014/2015)

TOP FIVE RISKS OF SENQU LOCAL MUNICIPALITY FOR 2014/2015			
Risk	Category	Residual Rating	Department
1. Perceived lack of service delivery	OSD	16	Municipality as a whole
2. Ineffective revenue collection for the municipality	RS	16	Finance Department
3. Manipulating SCM procedures, creation of an environment conducive to commit fraud & corruption	LRR	25	Finance Department
4. Inadequate infrastructure	TBA	TBA	TBA
5. Poor design of the existing roads system due to limited funds.	FBOS	20	Technical Services Department

The risk management function is housed within the IPME department. This function is managed by the Manager: Governance and Compliance. Risk remains the responsibility of each and every department and all parties on all levels are required to manage risk within the ambit of their control.

Oversight on matters of risk is provided by the Audit Committee. This oversight is provided while based on perceived and actual risk experienced. Approved processes of measurement, reporting and control are undertaken and in this manner risk is possible to be managed throughout the organisation in a coordinated and effective way.

The following structures and reporting mechanisms are used in this regard:

- The municipality is required to develop a Risk Profile;
- Risks are monitored and reviewed regularly;
- Departments are advised on mitigating measures that are required to be implemented on identified risks;
- The Risk Action Plan for each directorate is required to be developed, monitored and reviewed annually;
- The Risk Registers are required to be updated monthly. Measures to deal with identified risks are monitored and reports submitted to Council; and
- Quarterly Risk reports are required to be compiled and submitted to Council and the Audit Committee.

- The Risk Function has been well achieved and the Departmental Risk Action Plans have been completely developed and implemented, including quarterly risk reports;
- During Q1 the risk report was tabled to the Audit Committee meeting on 28/08/2014; during Q2 the Audit committee met in March 2015 and this resulted in the Risk Report not being submitted on time; during Q3 the Risk Report was tabled to the Audit Committee and during Q4 the report was tabled to the Audit Committee meeting of the 20 July 2015.

Litigation Issues

The municipality is currently involved in the following litigation issues that could result in damages/loss awarded against Council if claimants are successful. The following cases apply:

LITIGATION ISSUES		2014/2015	2013/2014
1.	<u>Traffic Officers</u> (Arbitration Appeal re-corruption) Potential re-instatement of 3 employees if successful. Arbitration Award was set aside and the Court held that the dismissal of the Traffic Officers was fair. This matter was finalised on 27 March 2015 (set aside).	-	-
2.	<u>Gawe Review Application</u> This matter was successfully litigated on the basis of prescription and was finalized on 30 July 2013.	-	-
3.	<u>Wage Curve</u> IMATU contesting implementation of Wage Curve Agreement and Labour Court ruled in favour of IMATU. SALGA taking ruling on review. May result in a 2% general increase as from October 2009. This matter was finalized and no increase or back pay was awarded.	-	-
4.	<u>Landfill Sites</u> There is no permit/licence for all landfill sites currently used. A penalty is due in terms of s24G of the Environmental Conservation Act.	Amount unknown	-
5.	<u>Councillors defamation claim</u> 3 Councillors have instituted proceedings against the Municipality, for defamation.	R100 000 per Councillor	-
6.	<u>Ex-gratia Payment</u> Upon termination of the Municipal Manager and other s57 managers (1.25 x gross annual salaries)		R7 417 680

LITIGATION ISSUES (Cont.)		2014/2015	2013/2014
7.	<u>Hawks</u> This case refers to senior managers that have been charged for fraud and corruption by the HAWKS. This case is set to continue in December 2015.	Criminal case	-
8.	<u>Land Invasion</u> Litigation (various)		R87 690
09.	<u>Languza Unfair Dismissal</u> Labour court case. Applicant claims unfair dismissal. Possible outcome of reinstatement and compensation.	Estimated at R400 000	

During 2014/2015 it is noted that:

Legal services is an outsourced function. A data base of suitable service providers is available so that assistance may be obtained for legal cases. The database with contracts and lease agreements is being managed by the Corporate Services Department. Moving forward, ongoing management & control of disciplinary cases is required and it is imperative that appropriate measures are put in place in order to manage same and regular statistical reporting.

The case of the Traffic Officers (an Arbitration Appeal regarding corruption) was finalised on 27 March 2015. The court held that the dismissal of the Traffic Officers' was fair.

2.7 ANTI-CORRUPTION AND FRAUD

During December 2008 the Municipality adopted its Fraud Prevention Plan. This Plan outlined the concept of "fraud" and resulted in the development of a Code of Conduct for Employees and Councillors. Procedures for reporting fraud and policy and practice to protect "whistle-blowers" was developed and implemented. In addition, this Plan also outlined the policies and procedures that must be implemented in order to prevent fraud which may be observed within supply chain management and the like. The Internal and External Audit as well as the Audit Committee provides an oversight role in this regard and both are mandated to expose any evidence of fraud.

Note: Most of the recommendations of this plan have been implemented and all employees are inducted regarding the Code of Conduct.

Fraud and Anti-corruption Strategy

In an effort to minimise and to prevent fraud it is noted that:

- The Fraud Prevention Plan is in place and is being implemented by the Compliance Officer;

- All new employees and Councillors are inducted on the Code of Conduct and this details the correct way in which all parties are to behave;
- Very clear procedures for authorisation of approval/payments are in place in order to prevent corruption, fraud and theft. In this regard very specific signing authority as per the MFMA, is specified.
- As per the Disciplinary and Procedure Code, any instance of misbehaviour /malpractice will result in appropriate action in terms of the policy;
- Persons under suspicion are suspended depending on the nature of the allegation and where required criminal charges are exercised; and
- The Mayor and Municipal Manager have publicly condemned acts of corruption, fraud and malpractice of any kind.

Audit Committee Comments/Recommendations (as per Appendix G)

Notwithstanding the successes within this area it is important to make reference to the Audit Committee Recommendations for the current year – thereby ensuring that all issues are accommodated. In this regard reference is made to Appendix G.

2.8 SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management

The MFMA s110-119, the SCM Regulations of 2005 and the relevant MFMA circulars set out the required processes and guidance manuals in order to facilitate that the application of SCM policy and procedures would ensure the acquisition and provision of required goods and services.

- All SCM reporting submissions as legislated were met. Quarterly reports to the Municipal Manager and Mayor were made within 10 working days of each quarter, and submission of annual SCM report within 30 days of end of each financial year on implementation of SCM Policy to Council; and
- During 2014/2015 SCM compliance reporting was submitted to National Treasury for Bids over R100 000; and
- Reference is made to **Appendix H** for detail regarding long-term contracts and Chapter 3 for statistical reporting regarding Supply Chain Management.

Note Chapter 3 in which the analysis of performance in respect of Supply Chain Management is discussed in greater depth.

2.9 BY-LAWS

Consultants have been appointed in order to facilitate the review and adoption of the Municipal By-Laws. In accordance with this, the first Committee meeting for the review of these By-Laws sat on 31 April 2015.

Sessions with departments were held in order to obtain required inputs. A related item was then submitted to the Standing Committee for recommendation.

Comments on By-Laws

- Within the 2012/2013 period it is noted that funding constraints impacted heavily on the ability to review required By-laws. On the 16 April 2013, the list of all promulgated by-laws was circulated to all Directors in order for them to identify bylaws that required amendments. Notwithstanding their responses, no By-laws could be addressed due to funding constraints and the fact that limited funding was utilized only for policy review;
- During 2013/2014 it must be noted that these challenges continued to be experienced. The lack of resources (financial and human) has impeded growth within this area yet again; and
- During 2014/2015 money was set aside specifically to look at the review of the municipal by-laws. This process has begun and at August 2015, progress in this regard is considered to be mid-way through the review”.

2.10 MUNICIPAL WEBSITE

Comment Municipal Website Content and Access

In terms of compliance it was required that the Municipal Website be upgraded and be made fully compliant within the 2013/2014 financial year. The timeframe set for the commencement and completion of this project was from March 2013 to September 2014. Within this period it was anticipated that access to some of the municipal documents (which will be required in terms of legal prescripts) would be problematic as parts of the site would be under construction. In order to compensate for this inconvenience, notices were publicised on the website to inform the public as to how to access these documents.

During 2013/2014 it must be noted that significant improvements have been noted and quarterly reports was provided illustrating that all levels of compliance are being met, (in

terms of section 75 MFMA and section 21B of MSA). A quarterly website compliance register is submitted to Exco for noting. Ongoing monitoring occurs and regular updates and review of all legislated documents.

During 2014/2015 reports on the Monitoring of the Website Compliance with the MFMA and MSA were submitted to the Audit Committee. In the fourth quarter these monitoring reports were submitted to the Audit committee of the 20 July 2015.

Note: In terms of the requirements for Municipal Websites as set out in MFMA s75, the Municipality is required to monitor and report on the use of its website by the public (e.g. detailing the number of hits per website).

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's /Entity's Website	Yes /No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	02-03-2015
All current budget-related policies	Yes	03-03-2015
The previous annual report (Year -1)	Yes	01-04-2014
The annual report (Year 0) published/to be published	Yes	01-04-2015
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	18-07-2015
All service delivery agreements (Year 0)	Yes	14-07-2015
All long-term borrowing contracts (Year 0)	No	-
All supply chain management contracts above prescribed value (give value) for Year 0	No	-
Documents published on the Municipality's /Entity's Website	Yes /No	Publishing Date
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during Year 1	No	-
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	-
Public-private partnership agreements referred to in section 120 made in Year 0	No	-
All quarterly reports tabled in the council in terms of Section 52 (d) during Year 0	No	-
<p><i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments</i></p>		

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Note: Public Satisfaction Levels (Information provided in terms of the last official/reported survey i.e. 2012 have been used for reporting purposes as this does not appear to have been updated).

Comment on Satisfaction Levels

In an effort to heighten awareness to customer care a Customer Care workshop was conducted in Lady Grey during February 2013 for the CDW's. The second session held was aimed at the councillors and ward committees. A Customer Satisfaction Community Survey was last completed in August 2012 (as commissioned by province and performed by Senqu Local Municipality). No additional survey was completed during 2012/2013. During the second week of April 2013 “door to door” information road shows were held in order to market and create awareness of the levels of customer satisfaction and the manner in which challenges would be managed.

In this regard it must be noted that these “door to door” road show campaigns were conducted within 4 towns, with the exception of Sterkspruit (as a direct result of the political instability that was being experienced).

Details regarding the Customer Care Survey (completed August 2012) are as follows:

- Sampling of 347 people throughout the municipality in 10 wards;
- Results:
 - Refuse
Of the 289 people who responded from 10 wards, 6% were highly satisfied, 6% satisfied, 7 % uncertain, 8% dissatisfied, and 74% highly dissatisfied;
 - Roads maintenance
Of the 347 people who responded, 15% agreed that roads were maintained and 85% said they were not maintained;
 - Condition of access roads
Of the 347 people who responded, 17% were satisfied and 83% not satisfied.
 - Electricity
Of the 299 people sampled, 10% do not have electricity, 0% have conventional, 3% are using alternative energy, 75% have electricity supplied by Eskom and 11% have electricity supplied by the Municipality.

Note: No funding was allocated to this target and the target milestones were customized accordingly (a variance of 1 formal survey is noted although under these circumstances this was not required).

The results of the latest Customer Care Survey are reflected in the table that follows:

SATISFACTION SURVEYS UNDERTAKEN DURING THE YEAR UNDER REVIEW AND/OR THE PREVIOUS FY				
Subject matter of survey	survey method	Survey date	No of surveys and no people included in the survey	Survey results indicating satisfaction or better (%)
Overall satisfaction with				
Municipality	Sampling	August 2012	347 people throughout the municipality i.e. in 10 wards	
Municipal service delivery	Sampling	August 2012	347 people throughout the municipality i.e. in 10 wards	
Mayor	Sampling	August 2012	341 People throughout the municipality	57% knew their Councillors and 43% didn't.
Satisfaction with	Sampling	August 2012	320 people throughout the municipality i.e. in 10 wards	
Refuse	Sampling	August 2012	289 people throughout the municipality i.e. in 10 wards.	6% was highly satisfied, 6% satisfied, 7 % uncertain, Dissatisfied 8%, highly 74%
Roads maintenance	Sampling	August 2012	347 people throughout the municipality i.e. in 10 wards	On maintenance, of the 347, 15% agreed that roads were maintained and 85% said they were not maintained. On the conditions of access roads 17% is satisfied and 83% is not satisfied.
Electricity	Sampling	August 2012	299 people throughout the municipality i.e. in 10 wards	Of the 299 people sampled 10% does not have electricity, 0% for conventional, 3% is using alternative energy, 75% is supplied by Eskom and 11% is supplied by the Municipality.

SATISFACTION SURVEYS UNDERTAKEN DURING THE YEAR UNDER REVIEW AND/OR THE PREVIOUS FY (Cont.)				
Subject matter of survey	survey method	Survey date	No of surveys and no people included in the survey	Survey results indicating satisfaction or better (%)
Information supplied by the municipality to the public	Sampling	August	347 people throughout the municipality i.e. in 10 wards	The majority of the sample agreed information is provided to the via ward meetings
Opportunities for consultation in municipal affairs	Sampling	August	347 people throughout the municipality i.e. in 10 wards	1, Community Radios, Ward Meetings, and Mayoral Imbizos,
*The percentage indicates the proportion of those surveys that believed that relevant performance was at least satisfactory				

Taking these issues into account together with feedback from the many public participation structures, the Presidential Hotline, Performance and Service Delivery statistics and the like, the organization is continuously looking for ways to address the issues raised and to improve the level of customer satisfaction.

In an effort to provide opportunities for Customers to rate municipality and/or to complain, the following tools / opportunities are provided:

- The Customer Care section has developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints). The 12 Monthly Reports reporting on this were submitted to the Standing committee;
- The Presidential Hotline is provided to ease the resolution and reporting of complaints but currently experiences challenges of operation; and
- The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues.



CHAPTER 3

SERVICE DELIVERY PERFORMANCE: PERFORMANCE REPORT PART 1

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

Introduction

Senqu Municipality (as with other municipalities nationally) faces huge challenges when it comes to maintaining and enhancing old and ageing infrastructure. Despite the fact that this municipality is well managed and able to function in a sustainable manner, limited financial resources (for infrastructure development) must negatively impact on the ability to provide certain services efficiently and optimally moving forward. This situation is exacerbated by the fact that this municipality is characterized by high levels of unemployment and an extremely small rate base.

Notwithstanding these challenges, Senqu Municipality must be commended for the manner in which service delivery is being provided. It must be noted that during the previous financial year, Senqu Municipality received a Vuna Award for service delivery – thereby validating the abovementioned statement.

Senqu Municipality received accolades for the manner in which the IDP was compiled. The IDP objectives focus on service delivery improvement and ways to reduce service delivery backlogs. Based on these objectives and the assessment of available resources and budget, plans are developed annually (service delivery and budget implementation plans) in order to ensure that these targets remain achievable and are in fact met.

Reference is made to **Appendix D** (Functions of all municipal entities); **Appendix I** (Service Providers Report) and **Appendix F** (Service Delivery performance at Ward level) in order to provide both context and progress in terms of projects undertaken.

Up until 31 July 2012, Senqu Municipality was appointed as a Water Services Provider with JGDM as the Water Services Authority. This function has now been transferred back to the Joe Gqabi District Municipality. With this having occurred, service delivery functions within Senqu Municipality are specified as follows:

- Electricity distribution – licensed areas only
- Street Lighting
- Roads construction and maintenance – Municipal and access roads
- Storm water and pavement construction
- PMU / Infrastructure planning and Technical Administration
- Library Services
- Community Halls and facilities
- Cemeteries
- Sport and Recreational Facilities
- Parks and Public Open Spaces

- Public Safety
- Commonages
- Issuing of business licenses
- Communications
- Town Planning (Land Use Management, Housing and Building Control); and
- LED (Tourism, SMME and Poverty Alleviation).

Each of these areas will be examined in terms of reporting on their performance for the period under review.

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

Introduction to Electricity

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

Senqu Municipality has been licensed by the National Energy Regulator of South Africa (NERSA) to distribute electricity within the towns of Sterkspruit, Lady Grey and Barkly East. Eskom is licensed to supply the rural areas. Investigations are currently underway in order to establish and facilitate the extension of FBAE into rural areas. Due to insufficient data this could not be implemented during the 2014/15 financial year despite 190 runners being deployed in November 2015 for this exercise. The data collection exercise was only 70% efficient due to the fact that not all households were reached but did contribute to information verification.

Council has taken a decision to apply to NERSA for the right to reticulate electricity within the new 802 unit housing project in Barkly East [Boyce Nondala]. This process is currently still under way and a final decision was expected during December 2014. This however did not occur due to a change in management within Eskom and the decision is only now expected to be in August 2015. The primary purpose of this reticulation acquisition is to increase the revenue base of the municipality.

It is noted that while most of the Senqu communities have access to electricity, there are certain communities that are still required to be electrified (either in the form of electricity installation, or by upgrading their existing supply lines). It is noted that a large percentage of the supply area (particularly in Sterkspruit and surrounding villages) have a very low voltage which results in an under voltage supply. Eskom has currently upgraded supply

lines to the area in order to improve the quality of supply and the impact thereof remains to be seen.

As reflected within the IDP and within the previous Annual Report, the standard of electricity provision within the licensed area was reflected as “mediocre”. Major electricity backlogs have been noted within the rural areas and it is reflected as per the IDP (2011-2016 – reviewed) that an estimated 9 074 households do not have access to basic electricity services. The current electricity backlog within the rural area is being dealt with under the Integrated National Electrification Programme (INEP) with Eskom and funds are allocated to Senqu Municipality under the Division of Revenue Act, for the purposes of resolving this. Unfortunately, despite written request, Eskom does not supply the data required by the municipality regarding financial and practical performance. This then becomes a possibility of non-compliance with DORA reporting and difficulty in establishing rural backlogs. The strategic Electrical Upgrade Programme has been running for four (4) years and is expected to run for a further three (3) years (budget dependent). At completion it is expected that all networks (LV & MV) will be upgraded, safety standards will have been met, service connections replaced and metering systems updated and replaced. This will extend the lifespan of the distribution networks for an estimated further 15 years, or longer, dependent on circumstances such as development, disaster and the like. This programme is dependent on the capital and operational funding made available within the approved budget.

According to STATSSA, 2011 it is noted that for lighting, the majority of residents are utilising electricity. More specifically it has been noted that: 31 038 residents are using electricity and only 104 are using solar energy. Electricity is still used predominantly for cooking (24 640 residents) and paraffin is used for heating (with 16 839 residents using this).

Challenges and Comments in Electricity Provision

- Old and ageing infrastructure is attributed to the limited financial resources which are required in order to effect required upgrades;
- Accurate data for the implementation of free basic services for electricity supply;
- Motivating communities to accept non- grid electricity/alternative sources of power;
- The high number of schools, clinics and other social facilities that don’t have a regular supply of electricity (if any supply at all);
- Affordability of the service, recognizing that Senqu has such a high rate of unemployment;

- Electricity cards are difficult to distribute as vendors are generally far from the rural areas and the population is widely spread over a large geographical area – in many cases with great difficulties being experienced in respect of transport;
- Electricity losses due to theft, poor metering, poor networks and incorrect accounts (although it is noted that this is improving). **Losses have dropped from 15.21% in the 2013/14 to 13% in the 2014/15 FY;**
- Meters being read are not consistent and when meters are not read an interim “reading” is given, based on cost and not usage, thus contributing to official losses;
- Meter reading dates between the municipality and Eskom result in in-accurate loss of electricity information. The installation of AMI (smart metering) will resolve this matter if implemented;
- A 3 year plan was originally in place year plan but due to budget constraints, it is anticipated that the reduction of losses to below 10% may take a little longer. (Including technical losses) and is now estimated to be reached by June 2018, budget dependent. Ageing infrastructure is in process of being addressed but is reliant on budget allocations;
- An insufficient maintenance fund – this is required to be increased;
- It is noted that Electricity backlogs in the rural areas (Eskom) - specifically non-grid areas) are being addressed too slowly by Eskom, in terms of the INEP. Eskom is licensed for these areas. Not with standing it is noted that over 81.8 % of the municipality has been served (STATSSA, 2011). National Treasury, in terms of the DORA, stopped funding of R 12. 8 M of the INEP funding to Eskom for electrification in the rural areas due to under – expenditure, in the 2013/14 FY. Despite requesting written information on this loss of funding, Eskom has not been forthcoming with information. Accurate backlogs in rural areas are difficult to calculate due to the non- responsiveness of Eskom in receiving monthly progress reports on households electrified and related expenditure;
- Supply Chain Management appears to be impractical in application when it comes to the rural circumstances and attempts to source suitable service providers prove challenging;
- The lack of sufficient funding to obtain a full staff complement and the scarcity of skills that is experienced is an additional challenge;

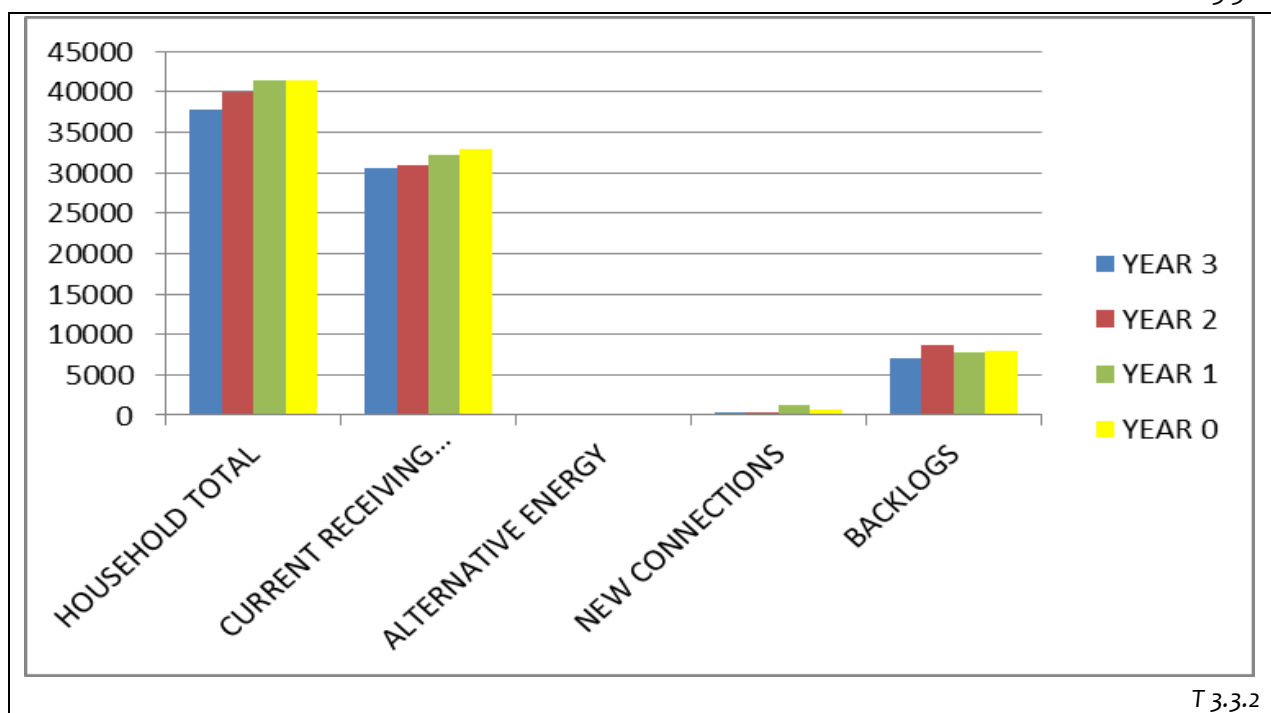
- Electricity losses have dropped from 15.21% in the previous year to 13% in the 2014/15 financial year. (Kwh loss = 1 575 635/ R 2 750 941.70);
- The target percentage was previously 15% but COGTA has now regulated that this will be 10% nationally and the municipality has accordingly reset its target to 10%. It is expected that this target will be met by June 2018 (resource dependent);
- 1 460 meters of electrical MV conductor was replaced in Sterkspruit (target was 3 000 m). The reason for not reaching the target is due to community interference in Sterkspruit which prevented construction;
- 6 Transformers were refurbished;
- 42 New connections;
- 195 Disconnections for non-payment;
- 187 reconnections for non-payment;
- 428 meters replaced;
- 370 call outs received and dealt with;
- 3 665.5 hours overtime worked;
- 212 service connection faults;
- 70 Overhead distribution faults;
- 442 complaints received and dealt with;
- 184 street light fittings replaced;
- 544 Street Light repairs;
- Outages:
 - Municipal: Unplanned: 10
 - Municipal: Planned: 24
 - Eskom: Unplanned: 13
 - Eskom: Planned: 70 (Including Load Shedding)
- Illegal connections: 3;
- The street light project in Barkly East has a consultant appointed and is expected to go into construction in September 2015;
- As Eskom is the supplier in rural areas it is expensive to supply public lighting due to infrastructure duplication; and
- An estimated 670 new Eskom connections have occurred in the rural areas.

Progress to date is reflected as follows (taken from the reviewed IDP 2011-2016)

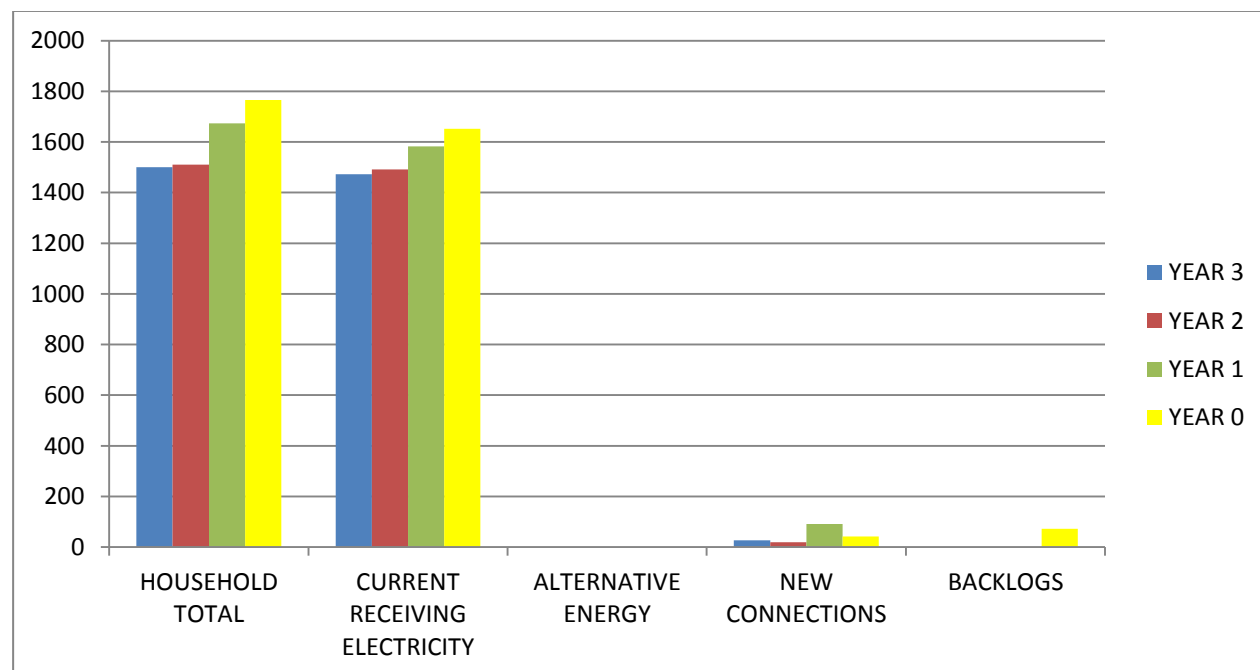
	INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/ CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/ CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR
1	Percentage of households with access to electricity services	Est 97% in urban Est 81% in rural	72 in urban (land invasions) Estimated 10 700	0 (done on application) 670(Est)	42 new connections (Urban-On demand) 670 (est Rural)	100% 100% [Est]
2.	Percentage of indigent households with access to basic electricity services	100% of applicants (Urban) 100% of applicants (Rural – 22.5%)	72 9 074 (Rural)	691 37% of total consumers- Urban-June 2015)	691 (Urban) 11498 (Rural)	81.5%
3	Percentage of indigent households with access to free alternative energy sources	1% (Rossouw/Kwezi Naledi (Paraffin & candles) for a short period before electrification.	0	0	0	0%

ESKOM DISTRIBUTION (RURAL AREA) IN HOUSEHOLDS (FIGURES FROM ESKOM ARE REQUIRED FOR UPDATING) INFORMATION BASED ON ESTIMATES

T 3.3.1



MUNICIPAL DISTRIBUTION AREA

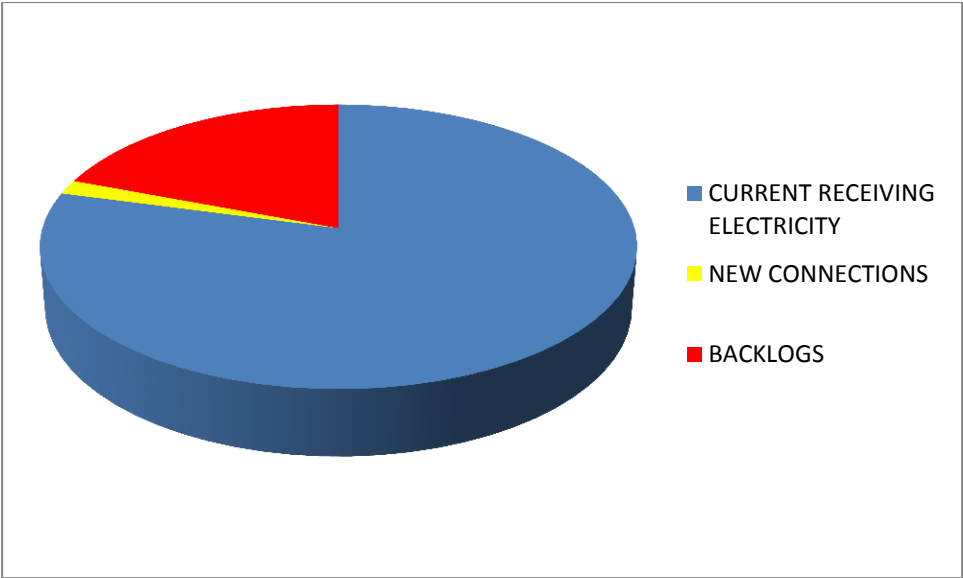


ELECTRICITY SERVICE DELIVERY LEVELS				
Households (Eskom Area)				
Description	2011/12	2012/13	2013/14	2014/15
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity – prepaid (min. service level)	30 481	30 866	32 151	32 821 Est
<i>Minimum Service Level and Above sub-total</i>	30481	30866	32 151	32 821 Est
<i>Minimum Service Level and Above Percentage</i>	80.12%	81.13%	77.6%	79.57%
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	0	0
Electricity-prepaid (<min. service level)	0	0	0	0
Other energy sources	0	0	183	0
<i>Below Minimum Service Level sub-total</i>	7 041	8 676	7 789	7 983
<i>Below Minimum Service Level Percentage</i>	18.76%	21.94%	19.5%	19.56%
Total number of households	37 522	39 542	39 940	40 804

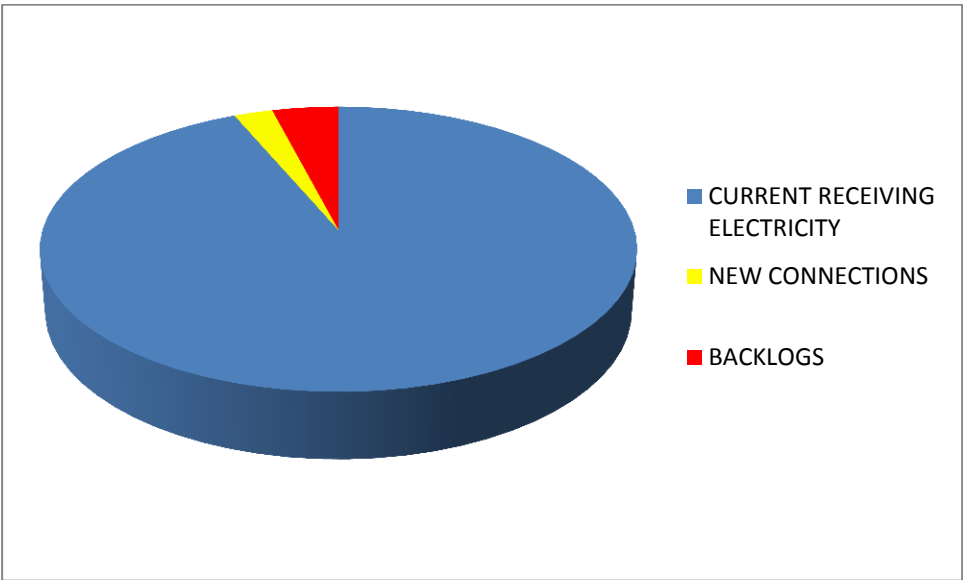
No Eskom information [Estimates]

Figure 1 Electrifications, Backlogs & New Connections

ESKOM



MUNICIPALITY



**HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM
(FIGURES FROM ESKOM ARE REQUIRED FOR UPDATING)**

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM						
ESKOM AREA						
Households						
Description	2012/13	2013/14	2014/15	2014/2015		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	30 866	32 151	32 821	-	-	-
Households below minimum service Level	7565	9 074	No information	670	-	670 {Est}
Proportion of households below minimum service levels	18.76%	21.94%	19.5%	-	-	-
				-	-	-
				-	-	-
Informal Settlements						
Total households	As above			-	-	-
Households below minimum service Level				-	-	-
Proportion of households below minimum service levels				-	-	-
				-	-	-
				-	-	-

NO ESKOM INFORMATION

ELECTRICITY SERVICE DELIVERY LEVELS					
Households (Municipal)					
Description	2011/12	2012/13	2013/14	2014/15	
	Actual No.	Actual No.	Actual No.	Actual	No.
Energy: (above minimum level)					
Electricity (at least min. service level)	1 473	1 492	1 583		1652
Electricity – prepaid (min. service level)	641	641	641		691
<i>Minimum Service Level and Above sub-total</i>	1473	1492	1 583		1 652
<i>Minimum Service Level and Above Percentage</i>	100	100%	100%		100%
Energy: (below minimum level)					
Electricity (<min. service level)	0	0	0		0
Electricity-prepaid (<min. service level)	0	0	0		0
Other energy sources	0	0	0		72
<i>Below Minimum Service Level sub-total</i>	0	0	0		72
<i>Below Minimum Service Level Percentage</i>	0	0	0		4.1
Total number of households	1473	1492	1583		1 724

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM						
MUNICIPAL AREA						
HOUSEHOLDS						
Description	2011/12	2012/13	2013/14	2014/15		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Actual No.	Original Budget No.
Formal Settlements						
Total households	1 473	1 492	1 583	1 724	1724	1724
Households below minimum service Level	0	0	0	72	72	72
Proportion of households below minimum service levels				72	72	72
	0%	0%	0%	4.1	4.1	4.1
Informal Settlements						-
Total households	0	0	0	-	0	-
Households below minimum service Level	0	0	0	-	0	-
Proportion of households below minimum service levels				-		-
	0	0	0	-	0	-
						-

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP

Service Objective	Outline Service Targets	2012/2013		2013/2014				*Current Year	*Following Year
							Target		
		Target	Actual	Target		Actual	2014/2015	2015/2016	
		*Previous Year		*Previous Year	*Current Year				
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHS) provided with minimum supply during the year (No elect.)	Eskom 734 additional HHS (7565 no elect) Municipal 65 Alternative Energy	Eskom- 603 Municipality - 0	Eskom- 700	Eskom- 1300	Eskom – 1 285 Municipality 91 (7 493 H/H No elect)	Eskom Planned: 670 (9 074 HHS no elect) Municipality : 72		Est Additional HHS Planned Eskom = 1 300
Facilitate the provision to access to adequate basic services in the area of Electricity / Reduce backlogs in service delivery in the areas of Electricity	Reports developed to detail manner in which backlogs for electricity& roads will be alleviated & sustained with financial planning All Wards / Provision of Implementation plan & quarterly reports to detail manner in which backlogs will be managed/ Municipal Manager/ Manager TS	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2012/2013		2013/2014				*Current Year	*Following Year
		Target		Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		2014/2015	2015/2016	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHS) provided with minimum supply during the year (Number of HHS below minimum supply level)	Eskom-602 Munic-0	Eskom – 1 285 Municipality 72 H/H No Elect- 7 493	602	Eskom- 670 Munic-0	Eskom estimated (?) - 670 Munic – 42 (HH's below min = 9 074)	Eskom - 670 additional HHS Munic 42 (9 074 HH's rural below minimum & Municipality 72)	Eskom – 1 891 HH's Munic – 72 (HH's below min = 7 111 rural)	Est Additional HHS Planned Eskom = 1 500 ?? Estimated (5 611 below minimum)
Facilitate a improved electricity infrastructure and service provision as per implementation strategy and plan	Management , monitoring & oversight to ensure improved electricity infrastructure & service provision as per implementation strategy & plan in respect of report on no of New connections (no of application) /no new meters installed/ changed serviced /repaired & no new conductors replaced /networks changed /establish a store	Reduce Electricity losses to below 20%	217 Disconnections 2 illegal Connection 6 666m of MV conductor upgraded 147 meters replaced 12 Transformers refurbished Reduced Electricity losses to 15.12%	Reduce Electricity losses to below 20%	Reduce electricity losses to 15%	370 Disconnections 3000 m of conductor upgraded 60 meters replaced Transformers repaired/ maintained Electricity losses = 13% 6 Transformers were refurbished; 42 New connections; 195 Disconnections for non-payment; 128 187 reconnections for non-payment; 428 meters replaced;	370 Disconnections 3000 m of conductor upgraded 60 meters replaced Transformers repaired/ maintained Electricity losses = 13% 6 Transformers were refurbished; 42 New connections;	Reduce losses to under 13%	Reduce losses to below 12%

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP (CONT. FROM PREVIOUS PAGE)

Service Objective	Outline Service Targets	2012/2013		2013/2014				*Current Year	*Following Year
		Target							
		Target	Actual	Target		Actual	2014/2015	2015/2016	
		*Previous Year		*Previous Year	*Current Year				
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
			91 New connections 487 Street repairs 141 Service faults 41 OH Faults 343 Complaints dealt with 2 792 Hrs Overtime			370 call outs received and dealt with; 3 665.5 hours overtime worked; 212 service connection faults; 70 Overhead distribution faults; 442 complaints received and dealt with; 1 460 m of conductor upgraded	195 Disconnections for non-payment; 128 187 reconnections for non-payment; 428 meters replaced; 370 call outs received and dealt with; 3 665.5 hours overtime worked; 212 service connection faults; 70 Overhead distribution faults; 442 complaints received and dealt with;		

Table: Employee Statistics: Electrical Services

EMPLOYEES: ELECTRICITY SERVICES					
Job Level TASK SYSTEM	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3				0	0
4-6	5	7	7	0	0
7-9	0	4	0	0	0
10-12	3	6	3	0	0
13-15			-	0	0
16-18	1	1	1	0	0
19-20			-	0	0
Total	9	18	11	0	0
Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Note: No funded vacant positions exist for this year.

FINANCIAL PERFORMANCE YEAR 0: ELECTRICITY SERVICES					
Details	R'000				
	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	32 204	30 880	31 588	37 403	5815
Expenditure					
Employees	4625	2 580	2 940	4642	-1702
Repairs and Maintenance	1 890	1106	1024	1500	476
Other	26 940	32 670	32 312	24 724	7 588
Total Operational Expenditure	33 455	36356	36276	30866	5410
Net Operational Expenditure	-1 251	-5 476	-4 688	6 537	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

Note: No funded vacant positions exist for this year.

CAPITAL EXPENDITURE YEAR 2014/2015 : ELECTRICITY SERVICES					
ESKOM (RURAL AREA)					
R'000 (Ex VAT)					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	-	-	-	-	
Herschel Extension	4 000	-	?	-	4 000
Lady Grey Ph 2 Housing Development Ext.- 14/15	1 320	-	-?	-	1 320
Senqu Ward 1, 7 & 8 (14/15)	2 530	-	-?	-	2 530
Senqu Ward 6, 9 & 10 (14/15)	1 739	-	-?	-	1 739
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
NOTE: No detail can be provided as information to be provided by ESKOM.					

CAPITAL EXPENDITURE YEAR 2014/2015: ELECTRICITY SERVICES					
MUNICIPAL AREA					
R'000 (Ex VAT)					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	5 130	4 413	4 094	319	
Tools & Equip	30	120	87	33	
Infrastructure	3 450	3 360	3 022	338	
Vehicles	1 650	933	985	-52	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE YEAR 2014/2015: ELECTRICITY SERVICES					
MUNICIPAL AREA					
R'000 (Ex VAT)					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	4 030	3 403	3 368	35	3 403
Tools & Equip	30	120	120	-90	120
Infrastructure	2 350	2 350	2 263	87	2 350
Vehicles	1 650	933	985	-52	985
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

FINANCIAL PERFORMANCE YEAR 2014/2015: ELECTRICITY SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	32 204	30 880	31 588	37 403	5815
Expenditure					
Employees	4625	2 580	2 940	4642	-1702
Repairs and Maintenance	1 890	1106	1024	1500	476
Other	26 940	32 670	32 312	24 724	7 588
Total Operational Expenditure	33 455	36356	36276	30866	5410
Net Operational Expenditure	-1 251	-5 476	-4 688	6 537	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

Comments on Electricity Services Performance Overall

The reduction of rural backlogs on an ongoing basis in terms of the INEP remains the primary role and focus of Eskom. Municipalities are required to support this process (in terms of related projects). To this end they are required to obtain equipment and to upgrade infrastructure (including metering) on an ongoing basis, so as to reduce electricity losses, increase safety and stabilize the power supply. Eskom has its own maintenance programmes, as does the municipality.

Within this period the municipality has:

- Successfully renewed 428 prepaid meters and others on demand;
- Restrung and replaced open conductors (this target was underachieved by 1 540m as opposed to the target of 3000m due to community interference in Sterkspruit);
- An official dispute has been lodged with Eskom around the reticulation rights of the new township in Barkly East. It is expected that a response from Eskom will be forthcoming in August 2015;
- The construction of street lighting for Barkly East was scheduled to have begun in June 2015 but due to the requirement of written confirmation from Eskom, as to not being allowed to utilise Eskom infrastructure, the appointment of a consultant was delayed and only appointed in June 2015;
- During the new current financial year it was the intention and plan to complete a further 609 connections, through the INEP programme within the Eskom supply area (rural areas). The DORA allocation for this during the 2014/15 financial year was R 26.138 M
- Council has prioritized the areas to be electrified. These are as follows, based on the national year starting in April 2014:
 - Herschel extensions (250 @ R 4 000 000)
 - Lady Grey housing (120 @ R1 320 000)
 - Wards 1, 7 & 8 (150 @ R 2 530 000)
 - Wards 6, 9, & 10 (150 @ R1 739 474)

This amounts to a total of R 9 589 474 (i.e. 670 connections @ R 14 313 on average/connection);

- All electrical projects have been included within the IDP. Service Level Agreements are in place with Eskom for the supply of FBE in rural areas and electrical supply to the towns of Sterkspruit, Lady Grey and Barkly East for redistribution in terms of the NERSA license. The Council has indicated its intention to distribute electricity under the Senqu license within the commonage areas surrounding the towns. A resolution to this effect has been passed and is being implemented. This will take place in terms of the Electricity Regulation Act of 2006 and negotiations with Eskom / NERSA/ DoE which are still in process.
- In order for Eskom to eradicate the current electrical rural backlogs, within the Senqu area, an estimated R 98 M will be required over the next 3 to 4 years. The Senqu Municipal NERSA licensed area itself has only now received a backlog of 72 HH's due to land invasion in Sterkspruit. In the towns of Lady Grey, Barkly East and Sterkspruit applications are completed in accordance with development requirements.

3.2 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Introduction to Waste Management

The function and overall objective of waste management is to ensure that the environment is managed, to combat illegal dumping and to ensure that all refuse and waste is removed and disposed of timeously and in the appropriate manner.

Objectives for 2014/2015:

- Conducting EIA's for four (4) solid waste sites in Wards 10, 11, 15 and 16;
- The efficient operation of refuse removal as per the Waste Management Plan (ensuring regular collections for urban areas and businesses);
- Increased access to basic levels of waste management services;
- Implementation of the cleaning operational plan; and
- Conducting Waste Awareness initiatives and campaigns.

Waste Sites

Locations:

- Lady Grey (licenced site)
- Barkly East (licenced site)
- Sterkspruit (unlicensed site)
- Rhodes (unlicensed site)
- Rossouw (unlicensed site)

Note: While all of these are operational, specifics in terms of each of these sites is detailed in the table that follows.

Overall challenges:

- Insufficient staff and old vehicles (many break downs);
- Inadequate machinery and equipment to manage solid waste disposal sites; and
- The fact that recycling initiatives can only be minimally conducted due to the limited budget available.

Current status of all waste sites:

WASTE SITE	CONDITIONS
Sterkspruit	<ul style="list-style-type: none">• Closure license was issued by Department of Environmental Affairs• The municipality is in the process of developing a new solid waste site• Site unlicensed• No access control• Unfenced• Waste remains uncovered and burnt
Lady Grey	<ul style="list-style-type: none">• Licenced and classified as GSB• No plant or equipment to properly cover and compact waste• Waste is incinerated and disposed of in a cell• The site is fenced with a weigh bridge installed
Barkly East	<ul style="list-style-type: none">• The Barkly East site is licenced and classified as GSB• No plant or equipment to properly cover and compact waste• Waste is incinerated and disposed of in a cell• It is fenced, with a weigh bridge installed
Rossouw	<ul style="list-style-type: none">• Site unlicensed• Burning of waste occurs on site (situated next to the Wasbank River)• EIA is in progress• No plant or equipment to properly cover and compact waste.
Herschel	<ul style="list-style-type: none">• No landfill site• EIA is in progress to develop a new site

NOTE:

- The Sterkspruit Waste Site is reaching the end of its life cycle and the municipality has expropriated land in the nearby Tapoleng Village where a new waste disposal site will be developed.

- Medical waste for the 4 hospitals and 21 clinics is collected by a company called Compass Waste facilitated by the Department of Health; and
- Environmental Health Practitioners are responsible for the control of waste management at clinics and fall under the supervision of a Chief Environmental Health Practitioner.

Refuse Removal

Location (Service Provision)

- This service is operated weekly in Barkly East, Sterkspruit, Rhodes and Lady Grey.
- As per the IDP stats, only 11.2 % of households were served in 2007 and the percentage of un-serviced households increased from 17.2% in 2001 to 22.6 % in 2007 (STATSSA).
- The situation has not improved much as indicated in the statistics from 2011 detailed below. The lack of machinery and staff attributes to this even though improvements have occurred in both. As per the table below, the latest available statistics (2011) have shown that only **4918 households are currently serviced on a weekly basis.**

Table: Refuse removal (extracted from IDP 2011-2016)

Source: STATSSA: 2011

Municipality	Local authority			Communal/own refuse			No rubbish disposal		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Senqu	2392	3817	4918	19778	24256	26985	5391	5831	5698

Refuse collection is conducted mainly in designated urban areas. This occurs generally as follows:

- Waste collection
 - weekly from households; and
 - twice a week from businesses in Lady Grey, Barkly East, Sterkspruit, Rhodes and Rossouw.
- Average waste produced from households:
 - Barkly East: 963 T of waste per annum;
 - Herschel: produces of waste & disposed of at Lady Grey;

- Rhodes: 0. 456 T;
- Lady Grey: 49 231T; and
- Sterkspruit: 1 382 T.
- Households served (as per IWMP 2014).
 - Barkly East: 2258;
 - Herschel: 149;
 - Lady Grey: 1871;
 - Rhodes: 144;
 - Rossouw: 57; and
 - Sterkspruit: 539.

NOTE: The Joe Gqabi District Waste Forum coordinates waste issues around the District and sits quarterly.

Street Cleaning

- Streets are cleaned daily;
- The use of EPWP personnel has been very beneficial in ensuring that streets are cleaned daily; and
- The implementation of the Cleaning Operational Plan has facilitated the upkeep of sidewalks (repaired and upgraded).

Recycling

- Recycling initiatives could only be minimally conducted due to the limited budget available.

Waste Management Progress

During (2013/2014):

- Waste Removal services were well executed in all areas barring Rossouw;
- In order to facilitate recycling it was the intention to record the types and quantity of waste in order that accurate landfill site data was maintained, opportunities to re-cycle could be pursued and waste could be diverted from the landfill site itself. This was **not successfully achieved**;

- The increase in the volumes of waste to Barkly East indicated that the extensions in Barkly East Boyce Nondala Township were receiving refuse removal services – an achievement (indicating an increase in waste collection);
- The illegal dumping challenge - particularly in Sterkspruit had improved and this was due to the purchase and placement of a mini skip bin in the town. Shop owners were informed regarding acceptable waste disposal practices (i.e. to dispose in the bin and not on the sidewalks). The use of cages was also promoted and waste was collected more frequently within the centre of town. Suitable action is taken against offending shop owners who dispose of waste incorrectly;
- The Department of Environmental Affairs appointed the following Waste Interns under the programme of Cokisa:
 - Waste Campaigners x 5;
 - Waste Administrators x 2; and
 - Landfill Operators x 2.

This has assisted the municipality in improving administration, management of the waste site and waste education amongst communities;
- Through this programme of Cokisa the Municipality received weigh pads and 600 wheelie bins to be distributed to community members in Sterkspruit;
- Clean up campaigns and waste awareness sessions were implemented during the financial year (within limited budget constraints); and
- As part of environmental management, greening was conducted in Schools, Community Halls, Barkly East Clinic, Sterkspruit Library and Lulama Hlanjwa Pre-Schools.

During (2014/2015) it must be noted that:

- The Lady Grey weigh bridge was installed;
- Service Providers were appointed to conduct EIA's. More specifically it must be noted that:
 - The Department of Environmental Affairs has not approved the Rhodes site as there is an objection from the public that needs to be resolved;
 - The Rossouw site was approved for the EIA and construction is due to start; and
 - The land identified for a solid waste site in Sterkspruit has been transferred from the tribal authority, despite the delays in the approval of the EIA;
- Weekly refuse removal targets were met and all required reporting was provided as required;
- Waste Refuse Bins were purchased and placed at strategic points in Sterkspruit and Herschel; and
- Plant was purchased as follows:
 - 1 Tractor for Refuse Removal (Barkly East);
 - 1 trailer for irrigation of plants and trees; and

- 1 LDV for the Waste Management Supervisor.

Waste management challenges

These include:

- Waste site compliance;
- Ensuring that sites comply in respect of the Occupational Health and Safety Act. Risk exists not only to the staff working on these sites, but for the general public (and those found scavenging at the sites);
- Limited waste collection services – as these are only offered to urban residents;
- Limited recycling and waste avoidance initiatives (extracting less than 1 % of the potential recyclable material);
- No initiatives are underway for waste avoidance;
- New projects for 2014/15 include:
 - Purchasing of LDV for Waste Supervisor
 - the purchasing of mini refuse skips for Sterkspruit town; and
 - the purchasing of refuse bins.
- Limited funding to implement waste awareness campaigns.
- Disposal of waste is a significant challenge and is currently not complying with legislation. More specifically, the landfill sites do not comply with DWA's minimum requirements; there is no facility available to dispose of hazardous material; and no technical intervention or planning is sufficient for medium to long term planning with regard to facilities, equipment and human resources;
- No Leachate Management Plan exists and waste is stored on site in a cage on a cement floor until it is incinerated;
- **The Integrated Waste Management Plan** was reviewed and adopted in 2013. During 2014/15 the plan was submitted to the Provincial Department of Environmental Affairs to be approved/ endorsed by the MEC so that it could be implemented;
- Waste By-laws for Senqu are insufficient. By-Laws have been gazetted but do not comply with NEMA and the municipality has appointed a consultant to review the By-laws;
- There is a lack of formal data in terms of the efficiency of collection and inadequate records regarding the quantities and types of waste collected and disposed of; and
- Illegal dumping occurs frequently, and particularly in Lady Grey it is found that garden refuse and building rubble are the main contents of illegal dumping. A formal door to door initiative was conducted to address illegal dumping.

In an effort to resolve some of these challenges:

- Waste awareness campaigns and door to door campaigns were conducted in order to increase awareness regarding waste management and dangers of illegal dumping of waste. The hazards of illegal dumping were highlighted. Additional funding is required in order to be able to tackle this successfully. While assistance from JGDM is required, the assistance received thus far has been minimal and has been reduced only to spotting illegal dumps and reporting on them;
- An Integrated Waste Management Plan and Recycling Plan are being promoted. This plan proposes recycling options particularly in Sterkspruit. The Waste Manager is currently in the process of trying to co-ordinate waste activities in such a manner that recycled waste can be collected from Rossouw and Rhodes and brought to a main site such as Barkly East until collection becomes economically viable. This is challenged by the distance that would be required to be travelled in order to collect the waste. Despite this, recycling projects have been started in Barkly East, Sterkspruit and Lady Grey. The Lady Grey recycling initiative deals primarily with bottles; and
- MIG funding has been set aside for the construction of new compliant waste management sites, particularly in Sterkspruit.

3.3 HOUSING

Introduction to Housing

Until five (5) years ago, Senqu Municipality was the developer for housing projects. This function then became the responsibility of the Department of Human Settlements. Since this period, the department has been the implementer of housing projects, services and the top structures. This was conducted through the Department of Human Settlement's own procurement procedures and service providers.

The municipality assists the department and this function by engaging in the following activities:

- beneficiary identification and registration for RDP houses;
- ensuring land availability;
- assisting the Department of Human Settlements by providing assistance to beneficiaries in filling out deeds of sale for the department to transfer the properties to the beneficiaries through their appointed conveyancers; and
- Assisting the Department with the establishment of a Housing Sector Plan (an attachment to the IDP). The municipality is currently using the 2013-2018 plan, which has been recently updated and adopted by Council.

Note: The Housing Section was returned to the Technical Department in July 2012 after an absence of 2 years. This section also encompasses the divisions of: building control and town planning which is considered to be one section/department.

In terms of the new Cogta Regulations, this department will once again (in the near future), be moving to planning.

The Housing Sector Plan for the municipality was re-adopted on the 20 March 2013 in order to accommodate changes to the identified needs of the community. This has now being totally revised and after taking into account more detailed studies, this will now provide the municipality with a more realistic backlog. The current total backlog is estimated at 12 606 (9066 in rural areas, 1116 social and rental, 1920 informal settlement structures and 504 child headed households).

It must be noted that the majority of Senqu households enjoy access to the RDP. Minimum levels of basic services in respect of housing are reflected as (95.16%). Notwithstanding, the IDP cites a housing backlog in Senqu Municipality of 10 761 with 1 752 in the urban area and 9009 in the rural area (Housing Sector Plan 2011).

According to the results of surveys conducted by STATSSA, 2011 - 70 % of households live in a formal dwelling and 68.5 % own their own dwelling.

It must be noted that the Spatial Development Framework (SDF) has identified land in all towns for future housing developments. This SDF is required to be updated to a more detailed municipal wide plan in accordance with the new SPLUMA that will take effect in July 2015. A land audit was conducted and available land was identified for resale to the general public for individual residential development. This exercise will take place in terms of the SCM Regulation of August 2014. This land audit has been undertaken by the Housing Unit and is considered to be 90% credible.

As per the 2013/2014 period it is noted that:

- 498 units were completed in Hillside and 2 units experienced contractor/departmental payment challenges despite municipal intervention. 118 units were completed in Kwezi Naledi and Lady Grey and 802 units were completed in Barkly East. (A total of 1 418 units were completed);
- The Rhodes and Rossouw projects were approved in the 2010/11 FY but to date only the Rossouw project is under construction and was expected to be completed by December 2014. The Rhodes project is still awaiting an EIA approval but there are two phases as there is an in-situ project (not requiring EIA). Unfortunately this has been held up by the Department of Human Settlements despite municipal intervention meetings. A number of meetings have taken place with the department, in order to

discuss general matters pertaining to housing, in order to fast track delivery, but to no avail;

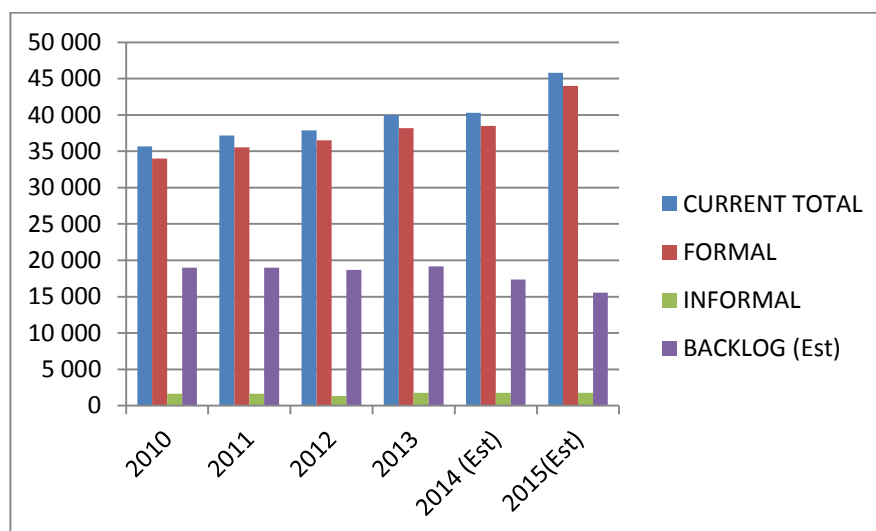
- The Housing Sector Plan was reviewed in 2013;
- It is noted that Land Invasion had caused delays to the Herschel Housing Project. More specifically, only 505 units of the original 700 units were constructed. The Council took the decision to reduce this project to 505 units and identify other land for a new project registration that would accommodate the shortfall. To date this has not yet been acknowledged by the department, despite correspondence and meetings. Local politicians were to meet with the Tugela Tribal authority to resolve the matter but this did not occur due to unrest in the Sterkspruit/Herschel area;
- The 76 middle income sites in Sterkspruit are still under land invasion and there is still no movement on the installation of water and sewerage services in order to allow development to take place. Various applications were submitted for RDP and middle income units (500 each) for Sterkspruit, Lady Grey and Barkly East and 4000 rural low cost units. The land identification process for the Sterkspruit 4000 units in rural areas has been very challenged due to disputes with the village headman. Notwithstanding it must be noted that the land has been identified for all villages who will benefit from the 4000 units project;
- According to the data that has been collected for the housing database, the housing backlog is estimated at 26 775. Notwithstanding, the Department of Human Settlements has a screening method to determine those who qualify for housing subsidies, using the Housing Subsidy System (HSS). The disqualification criteria includes: a history of property ownership, higher income (individual/combined with spouse) etcetera. Acknowledging this, an HSS screened list of potential beneficiaries provides the most accurate reflection of this backlog;
- There is currently legal action being taken against land invasion but legal matters are costly and a drawn out process. These processes have been underway for the last 8 years without success to date;
- A great challenge continues to be experienced regarding the fact that in many cases beneficiaries allocated to housing units become “lost” for various reasons and wrong erf allocations. This then results in the de-registration and registration of new applicants. The transfer of erven in order to achieve title deeds depends on professional legal people and in some cases this process occurs at a very slow rate. In the current year, 22 transfers were completed and 234 Deeds of Sale were submitted;
- There are currently insufficient resources to enable the municipality to become more efficient within this area of service delivery. In this regard the municipality took a decision that they would apply for accreditation to be able to do the entire housing process in the future. This has not been resourced to date; and
- Illegal building within the Sterkspruit rural area remains a huge challenge that the municipality does not have the capacity to deal with. Traditional leaders complicate land and building matters further by allocating land and allowing building operations on an ad-hoc basis. This in turn places a severe strain on service delivery.

During the 2014/2015 period it is noted that:

- The Draft Housing Sector Plan was required to be reviewed. This has been achieved, and the plan is required to be submitted to the Department of Human Settlements for approval prior to submitting this to Council;
- The establishment and updating of the Housing Beneficiaries Database target was met with a variance of 17%. While the beneficiaries list is well maintained, performance is affected by a shortage of human capital in Housing and shortage of computers for capturing the data. The data has been collected from all wards but only 16 have been captured i.e. 83% of the target has been achieved;
- The transfer of 100 houses in Lady Grey, 100 in Barkly East, 20 in Rhodes and 10 houses in Rossouw has been achieved for the most part, although difficulties are experienced in locating rightful owners to complete the deed of sale;
- Challenges regarding illegal buildings within the rural area remain a challenge;
- The organisation continues to be challenged regarding the fact that in many cases, beneficiaries allocated to housing units become lost for various reasons and wrong erf allocations. This then results in the de-registration and registration of new applicants. The transfer of erven in order to achieve title depends on professional legal people and in some cases this process occurs at a very slow rate. 1 418 units were constructed; and
- Senqu successfully facilitated the takeover of the new 802 housing project by initiating meetings with NERSA and ESKOM and the meeting with Eskom was held on 15 April 2014.

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING 2014/2015			
Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	37 168	35 527	95%
Year -2	37 856	37 786	99%
Year-1	39 990	38 200	95%
Year 0	41 408	39 618	92.5%

HOUSING BACKLOGS



As per the IDP future Housing Projects are reflected as follows:

WARD	FINANCIAL YEAR	NUMBER OF UNITS
16(RHODES)	2014/15	200
17(ROSSOUW)	2014/15	100
8	2014/15(Application Only)	1000
10	2015/16 (Construction)	2000
9	2015/16 (Construction)	1000
17	2015/16 (Construction)	1000
18	2014/15 (Application Only)	1000
18	2016/17(Construction)	1000
8	2016/17 (Construction)	1000
10, 14, 16 &19	2016/17 (Construction)	500 UNITS EACH (1500)

HOUSING SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2013/14		2014/15			2015/16	2016/17	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	*Current Year (viii)	*Current Year (ix)	*Followin g Year (x)
Service Objectives									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	300 additional houses (14 986 houses required)	1 418 additional houses (13 568 houses required)	300 additional houses (13 568 houses required)	302 additional houses (13 266 houses required)		4000 additional houses (9 262 houses required)	4000	3 500 additional houses (5 762 houses required)
Facilitate housing project(s)/ implementation	Evidence of facilitation efforts/reports / Database updated	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports
Ensure Housing Sector Plan adopted by Council	Council resolution of Housing Sector Plan	0	0	0	1	1	1	1	1
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are ‘universal municipal indicators’. *‘Previous Year’ refers to the targets that were set in the Year -1 Budget/IDP round, *‘Current Year’ refers to the targets set in the Year 0 Budget/IDP round. *‘Following Year’ refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

TABLE: EMPLOYEE STATISTICS (HOUSING SERVICES)

EMPLOYEES: HOUSING SERVICES					
Job Level TASK SYSTEM	2013/14	2014/15			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	2	2	2	0	33%
7-9	0	1	0	0	0%
10-12	2	5	2	0	33%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	5	9	5	0	33%
Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Note: No funded vacancies exist for the current year.

FINANCIAL PERFORMANCE YEAR 2014/2015 : HOUSING SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	579	21	421	252	60%
Expenditure		-	-	-	
Employees	795	1513	1513	928	61%
Repairs and Maintenance	0	0	0	0	
Other	619	446	846	466	55%
Total Operational Expenditure	1414	1959	2359	1394	59%
Net Operational Expenditure	-835	-1938	-1938	-1142	59%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual..					

NOTE: Senqu Municipality no longer has any capital expenditure on housing with the exception of the blocked projects of Herschel (which is in process of being reduced as reported above) and two houses in Hillside (due to payment problems between the department and the contractor). Hillside and Herschel housing projects are done on an agency basis and are not considered to be capital expenditure for the municipality.

Comment on the Performance of the Housing Service Overall

As already detailed, Senqu Municipality is no longer involved in the capital construction of housing projects but only assists in an administrative manner with regard to beneficiaries (considered as operational);

- The delivery of housing units is slow due to: poor communication and cooperation from the department of Human Settlements; late approval of the Housing Sector Plan (due to the Department of Human Settlement not yet having submitted); insufficient data to engage in informed planning and last but not least, the difficult and sometimes inaccessibility of sites in the rural areas in order to deliver materials and construct (due to poor road access, and intermittent water supply) which affects construction and increases project costs in general;
- The quality of workmanship is also a worrying factor as the municipality has no control thereof. This is reliant on the Department of Human Settlements which conducts the related quality control. The Hillside Project bears testimony to this in that: of the 998 units already built, 603 required rectification and the DHS is aware of this. This issue will be accommodated in the revised Housing Sector Plan. Clearly this questions and raises extreme doubt regarding the construction quality. In this regard it must be noted that the department is clearly aware of this situation, having been informed of this by the municipality;
- The municipality no longer has control of any housing capital projects. The operational budget variance was due to poor performance on the part of service providers (conveyancers) in transferring the title deed to the beneficiaries. The municipality will be removing non-performing service providers in an effort to remedy this; and
- There is an urgent need for middle and rental housing within the area and these applications have been submitted.

3.4 FREE BASIC SERVICES

Introduction to Free Basic Services (FBS) and Indigent Support

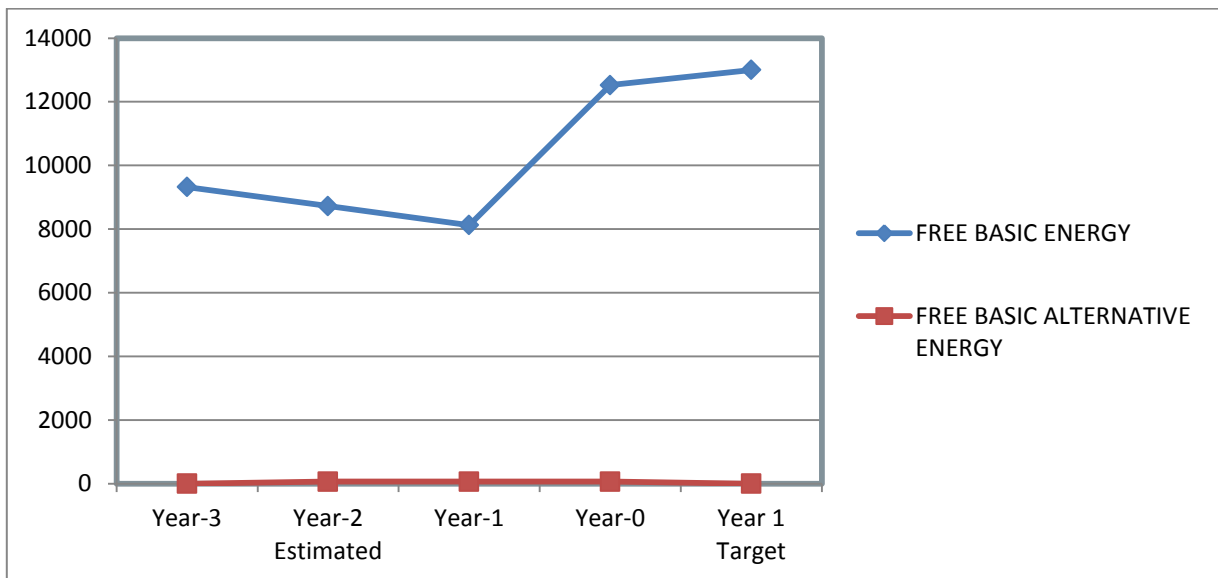
In terms of its powers and functions, the Joe Gqabi District Municipality is the Water Services Authority and is therefore responsible for the implementation of all water and sewerage services, including FBS. Senqu Municipality, in conjunction with Eskom, is responsible for FBE (Free Basic Energy) and FBAE (Free Basic Alternative Energy). There is a SLA in place with Eskom for FBE in the rural areas. Senqu Municipality has both an Indigent and a FBE Policy in place. These cater for any household earning a combined income of under R 2 700/month and this then entitles them to receive Free Basic Energy. Free Basic Services was a function that was housed initially at the Finance Department but was subsequently moved to Technical services during the 2013/14 financial year.

As part of a pilot scheme adopted by Council in 2011, Senqu Municipality supplies 63 households in Rossouw with Free Basic Alternative Energy (FBAE) in the form of paraffin and candles. This area has since been electrified and the project was moved to 118 units within Kwezi Naledi for 6 months and this area has now also been electrified. A drive is underway to update the Indigent Register.

There are currently a total of 12 523 households still eligible to receive Free Basic Energy (FBE) of 50 Kwh/month. There has been no improvement on the previous year (12 523) which can be attributed to the additional challenges associated with operating effectively within the Sterkspruit area (made difficult due to the unrest). Of these households, 694 are within the Senqu licensed area and 11 829 under the Eskom licensed area. An average of 9 791 households per month are utilising this service.

In an effort to effectively facilitate and champion the registration of free basic service delivery (FBS) within the community, the Council has formed a special Free Basic Services Committee. Unfortunately and notwithstanding the best of intentions this committee was dysfunctional due to the fact that the majority of members came from the Sterkspruit area (affected to its detriment by the unrest). The new financial year is expected to bring with it a better functioning committee – made possible as the unrest dies down.

HOUSEHOLDS RECEIVING FREE BASIC ENERGY



HOUSEHOLDS RECEIVING FREE BASIC ENERGY (AS DEPICTED BY THE GRAPH ABOVE)

	Year 2011/2012 (Estimated)	Year 2012/2013	Year 2013/2014	Year 2014/15	Year 2014/15 (Estimated)
Free Basic Energy	8122	12 523	12 523	13 000	13 500
Free Basic Alternative Energy	63	63	181	120	200

Free Basic Services to Low Income Households 2014/2015										
	Number of Households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year-2	39 438	11 606	JGDM	%	JGDM	%	8 122	20%	TBA	%
Year -1	39 438	16 007	JGDM	%	JGDM	%	12 523	32%	TBA	%
Year 0	41 408		JGDM		JGDM		12 523	30.4%		

FINANCIAL PERFORMANCE YEAR 2014/2015: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED '000					
Services Delivered	Year 2013/2014	Year 2014/2015			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	JGDM	--	--	--	--
Waste Water (Sanitation)	JGDM	--	--	--	--
Electricity	3675	7 755	7 596	4 058	53%
Waste Management (Solid Waste)	3 945	4 265	4 265	4 173	98%
Total	TBA	--	--	--	--
*(to be advised)					T 3.6.4

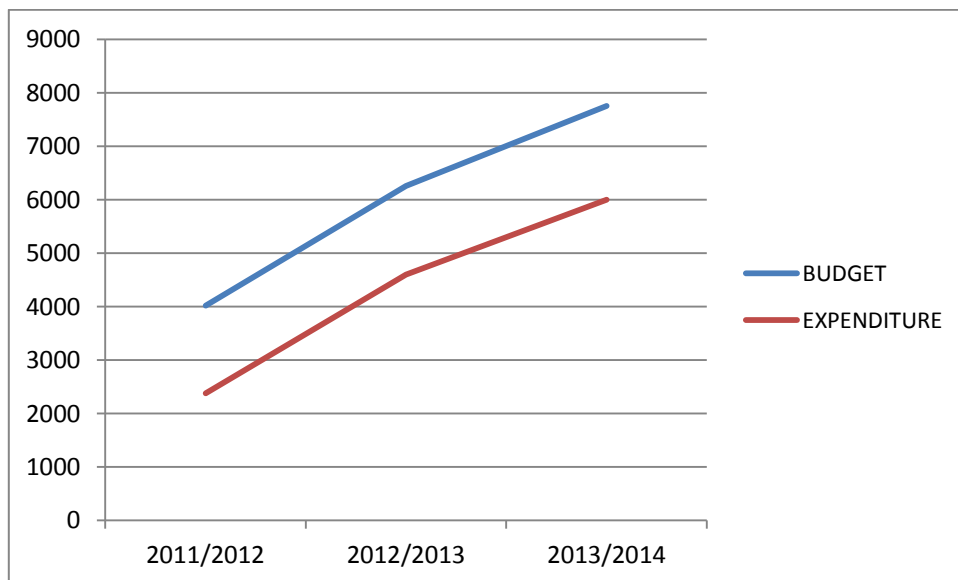
FREE BASIC SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2012/13		2013/14			2013/14	2014/15	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objectives									
Provision of alternative energy support to low income households that do not received free basic services	Low Income Households (LIHs) who do not receive all free basic services but do receive alternative support (total number of LIHs not in receipt of free basic services)	63 LIHs receiving support (out of 7 565 LIHs in total)	63 LIHs receiving support (out of 7 565 LIHs in total)	63 LIHs receiving support (out of 7 565 LIHs in total)	181 LIHs receiving support (out of 7 180 LIHs in total)	181LIHs receiving support (out of 7 180 LIHs in total)	120 LIHs receiving support (out of 5 041 LIHs in total)	0 LIHs receiving support (out of 3 041 LIHs in total)	0 LIHs receiving support (out of 1 041 LIHs in total)
Facilitate the provision to access to adequate basic Electricity : Free Basic Electricity of 50 Kwh	Report on number indigent households receiving free basic services / inclusive of expenditure	11 500	8 122	11 500	12 000	12 523	13000	13500	14000
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are ‘universal municipal indicators’. *’Previous Year’ refers to the targets that were set in the Year -1 Budget/IDP round, *’Current Year’ refers to the targets set in the Year 0 Budget/IDP round. *’Following Year’ refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.3									

Comment on Free Basic Services and Indigent Support: (To be Updated)

It must be noted that these policies are revised annually and FBS are paid for out of the Equitable Share grant as allocated under the DORA. The current budget year allocation was:

- Free Basic Energy: R 6 255 065 of which R 3 438 659 was utilised (55% Expenditure).
- The Joe Gqabi DM is the Water Services Authority and deals with all aspects of water and sewerage services, while the Senqu Municipal Community Services handles all solid waste removal.
- As already indicated, the unrest within Sterkspruit was and continues to be detrimental to all services within this area (including the Free Basic Services). The electricity consumption is difficult to calculate as some households require the FBE units every month while others only obtain these once every 2- 3 months, and so on.
- There are various LED initiatives/programmes being dealt with by the IPME department (and reported on by that section). The Technical Department is assisting in terms of the EPWP to create jobs as will be reported on further. There are currently no dedicated staff for the FBS function. Notwithstanding it is the intention to employ an intern, with the possibility of long term employment, to assist with FBS as they are involved in more than one department. The intention is to achieve a permanent FBS Unit within the next 3 years.

BUDGET vs. EXPENDITURE: FBE (TO BE UPDATED)



FREE BASIC SERVICES

	Year 2012/2013	Year 2013/2014	Year 2014/2015
Budget	6 255	7 755	13 439
Expenditure	7264	8933	9 963

NOTE: The highlighted figure is simply an estimate and may vary. There is to be a concerted effort made to increase FBE in the new financial year. This will now be championed by the Technical Services Department in the future.

COMPONENT B: ROAD TRANSPORT: ROADS, TRANSPORT AND WASTE WATER (STORMWATER DRAINAGE)

3.5 ROADS

Introduction to Roads

Senqu Municipality is home to the largest and longest amount of unsurfaced main roads and access roads. It has the second longest road length after Gariep.

An analysis overall of its tarred roads yields the following:

- The provincial trunk road (the R58 is in reasonable condition and has been moved to SANRAL;
- Rock falls are often experienced after heavy rainfalls and this impacts negatively on tourism (as this represents the main point of entry to the municipality). Under these circumstances it should be regarded and treated as a provincial priority; and
- The R 393 between Lady Grey and Sterkspuit is in good condition but livestock on the road are common place which makes travelling dangerous. This situation may be attributed to animals having been stolen or due to poor/lack of fencing. 7.2 km of the Musong access road was recently upgraded to bitumen surfacing and the DRPW has started the process to surface the balance of the road (approx. 9km).

An analysis of the situation regarding Gravel/ Unsurfaced Roads yields the following information:

- Most of provincially maintained gravel roads have deteriorated significantly to the level where they need extensive regravelling and low level bridges need repair or at the point where they need to be replaced;
- As a direct result, transportation of goods and services are affected. People are unable to access goods and services or have to pay high prices for the transport of goods and persons due to poor or impassable roads; and
- A number of roads have been prioritised for regravelling and priority upgrading.

These include:

- R 396 from Barkly East to Rhodes as this is an important tourist destination;
- Access roads to the 7 gravel passes of Lundeansneck, Jouberts, Otto du Plessis, Carlislehoek DR 03230, Volunteers (MN 20635), Bastervoetpad, and Naudesnek (R396). These passes incorporate 3 of the highest passes in South Africa. In addition the roads lead to Tiffindell ski resort – the only ski resort in South Africa;
- DR 393 to Lundeans Neck and Sterkspruit from Barkly East; and
- Upgrades of DR 03214, DR 03221, DR 3222.

An analysis of available access roads to hospitals and villages yields the following information:

- Khiba T 526 road
- Coville T 510 road
- Mlamli T 606 road
- Herschel to Manxeba to Sterkspruit T 511 road (Interlock paving/Asphalt surfacing)
- Road from Sterkspruit to Holo Hlahatsi Dam (previously Jozanashoek Dam) - Interlockpaving / Asphalt surfacing; and
- Access Roads are required to be maintained by municipalities in terms of the Municipal Structures Act. Within Senqu Municipality's context it must be noted that it is not financially viable for Senqu Municipality to address all roads at the frequency desired for optimal maintenance. The municipality inherited a backlog of maintenance of existing access roads as well as many villages which don't have access roads or internal roads. Taking this into account together with the acknowledgement of the small tax base and high levels of unemployment, it is observed that the municipality is heavily reliant upon MIG grant funding for the construction and rehabilitation of roads infrastructure and the Equitable Share for the repair and maintenance of roads.

In terms of its powers and functions it must be noted that Senqu is responsible for all access and municipal roads in its area. The balance of the roads fall under the powers and functions of the Department of Roads and Public Works (DoRPW).

During the 2014/15 financial year:

- 25.8 km of new roads were constructed (gravel & interlock paved);
- Overall it is noted that the level of road services in rural areas is low, where most roads are gravel. The Municipality has engaged with its municipal wards in order to identify priority access roads that need surfacing. In order to address these needs a massive financial injection will be required;
- Currently the gravel roads backlog in Senqu is 376.241 km. Note: This is based on revised figures received from the DRPW;
- Streets within the towns are the responsibility of the relevant local authority;
- Streets within townships in all the urban settlements are of reasonable condition but the following challenges remain: localized flooding in bad weather, impassable roads and poor access. This is currently being addressed by the construction of interlock paving bricks which also contributes to job creation and road sustainability. The original RDP houses constructed in Kwezi Naledi are noted to have contributed to the original flooding challenge, due to incorrect building practices - not all are above natural ground level and communities are found to be blocking storm water flow due to illegal access constructions and the dumping of waste in storm water channels;
- Senqu Municipality does not generally have any entities responsible for the rendering of road maintenance services within the municipality. Capital projects are completed through the procurement of professional service providers and contractors and are funded through the MIG programme. Capital projects are identified through the IDP process and prioritised by the IDP & Budget Steering Committee, dependent on available funding. These priorities change periodically to suit the changing needs of the community;
- Weather patterns (heavy rain/snowfall) wreak havoc on the gravel roads and this in turn may lead to changes within the MTERF.
- It must be noted that the quality and quantity of gravel is rapidly dwindling within the Senqu area. As a direct result of this, the use of gravel access roads is currently being investigated and evaluated, in an effort to identify a more sustainable road infrastructure. The use of interlock paving is one such strategy and it has been incorporated into the newly adopted Roads Policy. Accordingly, sustainable roads will be constructed and this will provide an on-going sustainable source of job creation for

years to come. The cost of this is estimated at around R 52 m in order to be able to capitalise on the required plant needs;

- The municipality is currently in possession of its own roads team. This was used for construction, rehabilitation and maintenance projects until recently, when Council resolved that the team be used for maintenance only. This practice has also been incorporated into the newly adopted Roads Policy. While this may provide a boost to the current road infrastructure lifespan, it must be emphasized that this is a short term benefit in the narrowest sense as this area is too large in order for the roads team to be considered efficient and the maintenance of municipal roads in urban areas is also dealt with by the roads team. In addition it must be noted that certain roads require major maintenance and need to be re-gravelled. This effectively slows down the maintenance program which in turn affects performance targets;
- Council is in possession of a Roads Maintenance Plan for the entire Senqu area. In terms of this plan, each constructed/rehabilitated road will only be visited once every 4 years. This is/was due to the fact that more construction/rehabilitation was taking place than maintenance. Overall this must be regarded as being extremely inefficient as each road needs to be maintained at least once/year and also after any heavy rainfall/snow. The cost of sufficient plant and staff to maintain the entire area will be prohibitive and therefore unrealistic, especially in terms of gravel roads. In order to address this, investigation into more sustainable roads such as the interlock paving has been considered as stated above (In terms of the Roads Policy).

The Roads Maintenance Plan could not be implemented due to the following specific reasons:-

- The plant, which was operating in Rhodes in terms of the plan, in March 2014, was requested to be moved back to the Sterkspruit rural area at the request of the Mayor and Council for the maintenance of access roads to Voting Stations;
- After voting took place the team moved to ward 7, in June 2014, (Thaba Lesoba) due to the fact that a municipal roads contractor (MIG project) could not complete the works as he had been barred from use of the local borrow pit, in terms of a court order, brought by the local community;
- The ward 7 project was completed in June 2014 but the plant then had to move towards 3 and 4 in July 2014 in order to ensure access for all users as two contractors were taken off site due to poor performance in terms of the GCC;
- All the roads under the contract were left in an unusable condition and it was considered a priority to get them to a point where the communities could practically utilize them;

- The above works took place from July 2014 to February 2015 where after, due to proximity and no service delivery scheduled, the team moved to Ward 18; and
- The team completed the works required by the community in June 2015.
- Council adopted, for the first time, a Roads Policy, and also a revised Roads Maintenance Plan which is intended to address roads that are officially on the assets register;
- The cost of plant purchases is split over various financial years by the municipality. Purchasing is budget dependent and is a continuous programme which assists towards the limited maintenance achieved currently. There is however a need for more plant. The need for Plant Operators within the area is also a critical issue as they are scarce and tend to prefer to work in the private sector as the benefit is greater. The municipality is currently busy with an on-going training programme that will result in all operators obtaining official “Operator Certificates”;
- The matter of powers & functions at times leads to a frustrated community as the access roads of the municipality are often in better condition than the provincial roads. This can be attributed to lack of integration in the maintenance programmes. In order to resolve these challenges meetings were held with the DRPW but due to budget constraints on their part, were unable to assist with a SLA to increase maintenance on provincial roads;
- The unrest in the Sterkspruit area resulted in an increased maintenance backlog in the area;
- During the current year 18 212 pothole repairs were completed within the three towns. This represents an increase of 16.3 % compared to the previous year.

GRAVEL ROAD INFRASTRUCTURE				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year 2011/2012	1112	9.5	7.2 km	19
Year 2012/2013	1122	6	0	59
Year 2013/2014	1122	35.8	0	47.425
Year 2014/2015	565	20	5.8	28.1

NOTE: These figures have been revised based on new **information** made available by the Department of Roads & Public Works in April 2015.

The reason for the drop in km was due to the construction on the MIG projects that had to be done in order for the roads to be usable, as explained above.

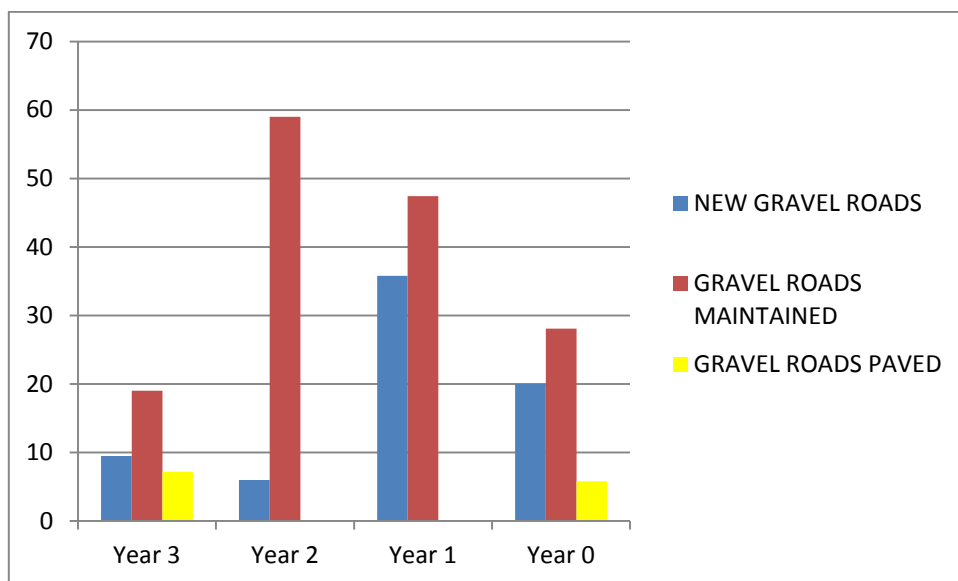
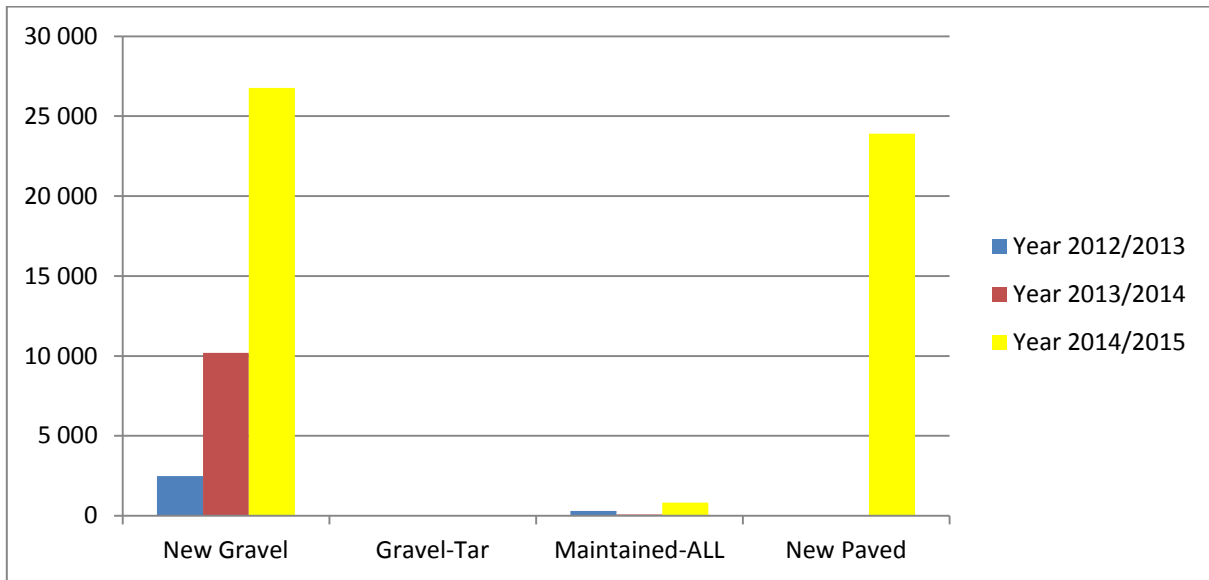


Figure 2 Surfaced Roads constructed, upgraded and graded/maintained

TARRED/PAVED ROAD INFRASTRUCTURE					
	Total tarred roads	New tar/paved roads constructed	Existing tar roads re-tarred	Existing tar roads re-sheeted	Kilometres Tar roads maintained
Year 2012/2013	15	0	0	0	0
Year 2013/2014	15	0	0	0	0
Year 2014/2015	20.8	5.8	0	0	0

COST OF CONSTRUCTION/MAINTENANCE				
	New Gravel	Gravel-Tar	Maintained-All	R'ooo New Paved
Year 2012/2013	2 478	0	300	0
Year 2013/2014	10 185	0	77	0
Year 2014/2015	26 758	0	822	23 914

NOTE: The 2014/15 figures are high as some of the projects were only completed in the current year and are included in the assets register.



ROAD SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	Year 2012/2013		Year 2014/2015			Year 2015/2016	Year 2016/2017	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
To upgrade and maintain current infrastructure :Internal Roads Team	Validation of km / Report quantifying the No. of kilometres/meters maintained/ constructed internally	33 km	59 km	50	220 km or 18 km rehabilitation	28.1 rehabilitation	240 km Maintenance Only	240 km Maintenance Only	240 km Maintenance Only
To upgrade and maintain current infrastructure :Pedestrian & road bridges	MIG Reports /consultant /contractors performance reporting Pedestrian & road Bridges constructed	12	12	12	12	12	12	12	12
To upgrade and construct new infrastructure :Access Roads	MIG Reports /consultant /contractors performance reporting/ Validation of km/ Report quantifying the No. of kilometres/meters of access road constructed	9.5	32	9.5	33.8	25.8	24.5	24.5	15
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round, *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose & character of Integrated Development Plans (IDPs) & Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

TABLE : EMPLOYEE STATISTICS (ROADS SERVICES)

EMPLOYEES: ROADS SERVICES					
Job Level	Year 2013/2014	Year 2014/2015			
	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)	Posts No.
0-3	1	16	2	-	-
4-6	12	47	11	1	8.3%
7-9		1	0	-	-
10-12	1	4	2	0	-
13-15		-			
16-18					
19-20					
Total		68	15	1	6.25%
Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Note: Roads & Stormwater is one section. One funded vacant positions for this financial year existed which has been filled (Assistant Roads Superintendent.)

FINANCIAL PERFORMANCE YEAR 2014/2015: ROAD SERVICES					
R'000					
Details	Year 2013/2014	Year 2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	35080	33950	14405	16578	-2173
Expenditure					0
Employees	2 536	4 517	4 637	2 567	2070
Repairs and Maintenance	560	2 738	2 738	1 444	1294
Other	16 743	19 256	18 996	17 021	1975
Total Operational Expenditure	19 839	26 511	26 371	21 032	5339
Net Operational Expenditure	15 241	7439	-11966	-4454	-7512

CAPITAL EXPENDITURE YEAR 0: ROAD SERVICES					
R'000					
Capital Projects	Year 2014/2015				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Construction of roads in Ward 15	0	764	764	0	3 497
Construction of bridge in Ward 4	1 446	1 430	891	538	3 644
Construction of road in Ward 5	0	186	186	0	3021
Construction of Ward 3 Bridge	1 668	1 461	1 133	328	2 141
Construction of access roads Ward 19 (Ph1)	2 140	2 465	2 662	-197	11 800
The Upgrading of gravel access roads in wards 7,8,9 & 12, Phase 4 (c)	3 159	3 142	2 876	256	16 315
Purchase of LDV	340	244	243	97	244
Construction of roads in Ward 1	604	252	130	122	2 222
Construction of Access Roads in Wards 3	1 159	166	77	88	166
Construction of Access Roads in Wards 4	820	117	55	62	117
Construction of Access Roads in Wards 19 (Ph2)	1 820	2 477	1 644	832	4 664
Construction of roads in Ward 16	0	5 836	5 958	-121	7 101
Purchase of mobile homes	640	0	471	169	471
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

Comment on the Performance of Roads Overall

- The roads capital programme once again did not achieve its targets and this can be attributed to a number of contributing factors as stated below:
 - Poor Service provider performance contributed to delays;
 - Re-tenders were required due to non-compliance with SCM Regulations;
 - Under capacity is experienced in the PMU unit;

- All turnkey projects were withdrawn during November 2014, by SCM, resulting in a redistribution of R 7.5 M on the MIG programme (Please see the complete MIG programme detail as at 30th June 2015, with summary); and
 - Delays occurred with the required EIA (for various reasons).
- Operationally and more specifically it is noted that:
 - In respect of wards 3 & 4 (Roads projects from the previous financial year), there was a compulsory CIDB “cooling off” period which resulted in delays. A new consultant also had to be appointed. The contractor will now only be appointed in the 2015/16 financial year;
 - A critical skill shortage remains within the PMU Unit. Due to increased funding, more projects are required to be undertaken and this, together with current capacity is making it extremely difficult to meet project management performance targets and legislative requirements. An additional PMU technician was requested and approved on the MIG BP submitted, but was not employed despite a management decision supporting the matter in November 2014. As the municipality is a Standard Chart of Accounts (SCOA) pilot site, the PMU unit will be managed by the newly established Development & Town Planning Department, as of the new financial year;
 - General poor performance of service providers (contractors & consultants) has also led to delays in implementation. All new contracts have a Performance SLA with consultants, linked directly to the contractors performance;
 - The ability of the PMU to report data with accuracy remains a challenge due to the in-house capacity issue (insufficient capacity in the PMU unit). New processes, with checks and balances, have been implemented, although not fully, on all new projects, in an attempt to resolve these issues;
 - All capital infrastructure projects are now being run from the PMU unit, inclusive of renovation projects;
 - EIAs have had negative impacts on project implementation but one on one meetings have been held with environmental and water and sanitation departments, which has unlocked the final EIA approvals on the bridge construction in wards 3 & 4;
 - Land acquisition is problematic in rural areas as resolutions are taken with the tribal authority and community and later when implementation is due, they effectively block the project. This requires urgent political intervention;
 - Un-licensed borrow pits are a huge problem in terms of legislation. They are used by all stakeholders such as the municipality, municipal contractors, the community, the DRPW and their contractors. They are located mainly in tribal areas resulting in access problems for contractors due to the tribal authority;
 - The quality and quantity of gravel available for roads construction is diminishing rapidly in the area and these then results in over-haulage, raising costs of construction and maintenance. Accessibility to gravel requires roads to be constructed to borrow pits in order to procure gravel and this leads to further delays;
 - In the case of maintenance of rural and urban gravel roads it is noted that 220km of roads was required to be maintained. This target was unfortunately not met as this project required not only that the roads be maintained, but that they be fully re-

gravelled i.e. rehabilitated. This meant meeting and exceeding the 18 km target by achieving 28.1 km (10.1 km over achievement);

- As part of the ongoing maintenance programme, Council authorized the purchase of the following plant:

3 x Mobile homes

1 x LDV

Note: Both were purchased, with budget savings.

The purchase of the mobile homes will greatly contribute towards the current maintenance programme and will facilitate the anticipated increase in production moving forward. In this regard, the roads team members will be able to live on site, and this will reduce costs and cut out travelling time.

The day to day performance and production of the roads team has, and will continue to be negatively affected by staff arriving late on site and leaving early in order to arrive home at 17H00. This issue is being partially addressed by the payment of overtime but it is still insufficient to achieve full production. Application has been made in terms of the new financial year, for a camping allowance, which will then facilitate the provision and usage of the mobile homes;

- SCM Regulations make it extremely difficult to repair plant in the rural areas and this has an additional negative impact on production; and
- Council has adopted a Roads Policy and a new Maintenance Plan, which has been drawn up in terms of the SCOA budget. In principle, this means that, as from the 2015/16 FY, only roads on the official assets register will be maintained and all new/rehabilitation of roads will take place through the capital programme.

3.6 TRANSPORT (MOTOR VEHICLE LICENSING)

Introduction to Motor Vehicle Licencing

Senqu Municipality provides a road worthy and licencing service at the Traffic Testing Station in Barkly East and Sterkspruit. The office at Sterkspruit is not yet operational due to the civic unrest.

More specifically, it must be noted that:

- The Grade A Traffic Test Station is situated in Barkly East. This test station is the seat of road worthy of vehicles, driver's license testing and the like.
- This NATIS motor vehicle registration facility service is also rendered by Council on an agency basis for the Department of Transport in Lady Grey, Sterkspruit and Barkly East; and
- ENatis offices in Sterkspruit were damaged during service delivery protests.

Overall Traffic targets are reflected as follows:

- The provision of available facilities for the licensing of motor vehicles in existing centres;
- Maintaining and performing National Traffic Information System (Natis) on behalf of the Department of Transport;
- Establishing a Motor Vehicle Registration and licensing facility in Sterkspruit (approval required from the Department of Transport). Approval has been outstanding for quite some time and extends to the previous financial year. It is the intention to extend the centre to include a drive test centre. At this point the construction has been completed and the resources are available and we continue to await approval from DoRT; and
- Continuously updating and training staff on the operation of the Natis System.

TRAFFIC OPERATIONAL STATISTICS 2014/2015		
Vehicle Registration :		412
Learners Licence:	Applicants	160
	Passed	112
	Failed	42
	Absent	6
Drivers Licence:	Applicants	2575
	Passed	2023
	Failed	338
	Absent	214

Note: No roadworthy of vehicles was possible during the year due to the building being renovated and this impacted on learner's licence testing too.

The roadworthy testing in quarters 3 and 4 was not possible due to a delay in the Principle Engineer's Assessment Report from the Provincial Department of Transport.

TRAFFIC AND LICENCING STATISTICS

LICENCING REVENUE	ACTUAL REVENUE	BUDGET	ACTUAL REVENUE
	2013 - 2014	2014 - 2015	2014 - 2015
Traffic Fines	34 000	58 258	81 340
Duplicate Permits & Registration	58 338	38 838	88 470
Commission on M/V Registration	697 869	582 576	558 894
Learner's Drivers Licence	86 424	291 288	45 507
Drivers Licences	993 827	774 224	827 675
Prodiba Driver Licence Renew	409 803	388 384	339 379
Total	2 280 261	2 075 310	1 941 265

Comment on the performance of Vehicle Licensing Overall

The overall performance on motor vehicles licensing has maintained the standard fairly well, noting that the DLTC was not operational for a half of the year due to renovations and the shortfall was contained to be less than 10% .

3.7 WASTEWATER (STORM WATER DRAINAGE)

Introduction to Stormwater Drainage

Senqu Municipality does not use entities to maintain storm water systems within the area. When required, capital construction is outsourced through the procurement policy for the services of a consultant and contractor and these projects are funded through the MIG programme.

The on-going cleaning of the storm water system is conducted through the job creation programme as there are no designated permanent staff on storm water functions (which is a shared service with the roads department).

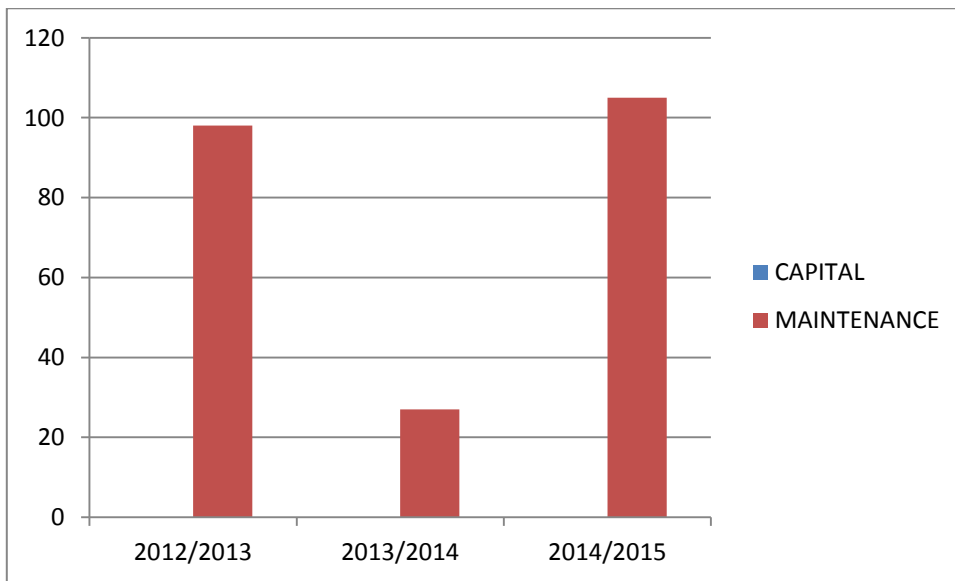
Historically there are storm water control issues throughout all the areas of Senqu, including the indigent and rural areas. The rural challenges have been caused by uncontrolled development as tribal authorities allocate land at will, and then services are demanded. The municipality does not have the capacity to deal with these matters. Indigent (RDP projects) have challenges in that the roads and storm water infrastructure are poorly constructed due to budget constraints on project funding which then leads to critical problems further down the line. People also interfere with their own constructions which then compounds the problems of blockages. Lady Grey water in some areas is problematic in that it is required to be discharged into the storm water system, as there are no other options for managing this.

Taking all of that into account it must be noticed that this section performed exceptionally well and targets were well exceeded within all quarters.

STORMWATER INFRASTRUCTURE				Kilometres
	Total Stormwater Measures	New Stormwater Measures	Stormwater Measures Upgraded	Stormwater Measures Maintained
2012/2013	Est (165)	(Est) 6	-	347
2013/2014	Est (165)	0	0	473.67
2014/2015	Est (165)	0	0	342.492

COST OF CONSTRUCTION / MAINTENANCE			
			R'ooo
	Stormwater Measures		
	New	Upgraded	Maintained
2012/2013	Dept. of Human Settlements	-	98
2013/2014	0	0	27
2014/2015	0	0	105

STORM WATER EXPENDITURE



STORMWATER POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	Year 2013/2014		Year 2014/2015			Year 2014/2015	Year 2015/2016	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	 (iv)	*Previous Year (v)	*Current Year (vi)	 (viii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objectives									
Storm water maintenance	Cleaning of storm water channels	84	473.67 km	84	300	342.492	300	300	300
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are ‘universal municipal indicators’. *’Previous Year’ refers to the targets that were set in the Year -1 Budget/IDP round, *’Current Year’ refers to the targets set in the Year 0 Budget/IDP round. *’Following Year’ refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

Overall comments on the performance of stormwater drainage:

As detailed, the storm water capital programme is being dealt with on an on-going basis, as part of the roads programme, dependent on resources, although there have been dedicated projects in the past. The job creation programme is used for cleaning existing systems on an on-going basis. This financial year (2014/2015) 342.492 km of drainage was cleaned through this programme.

- The storm water issue is dealt with by the roads maintenance team and within the job creation programme, under the supervision of the Roads Superintendent. Lack of capacity and in an attempt to reduce costs, results in the roads and storm water function being considered as one operational priority (facilitated by the linkages between the two components). If one looks at the budget and the organogram, it will be seen that there is no dedicated storm water section in the organogram and there is very limited budget under the storm water section but the greatest challenge relates to the human and plant resources.
- There are very serious storm water issues in all the villages (86 of them) and within the Kwezi Naledi and Nkululeko townships. Rossouw has the biggest problem in that there are insufficient roads & storm water infrastructure and the cost thereof will be extremely high compared to the benefit. As there is no town planning (historical) it is extremely difficult to control storm water, aside from the cost.
- Sterkspruit has mostly been dealt with although a few areas still require attention. These are slowly being addressed under the roads construction programme of the municipality but it will take years and an exorbitant amount of funding to address these challenges throughout the Senqu area. This on its own remains a further motivation for sustainable roads and storm water systems.
- In short, gravel does not work and is compounded by the lack of capacity for maintenance.

COMPONENT C: PLANNING AND DEVELOPMENT (PLANNING AND LOCAL ECONOMIC DEVELOPMENT)

3.8 PLANNING AND DEVELOPMENT (PLANNING & LED)

Introduction to Planning and Development

In this context, the PMU and Town Planning are reported on in conjunction with LED.

There is insufficient capacity within the Housing Unit to achieve accreditation at this point. In terms of the SCOA, the municipality will no longer be directly involved in housing as it is no longer a core function. The staff employed in this unit will be absorbed into other departments.

The Spatial Development Framework (SDF) was a shared responsibility between the IDP unit and the Technical Services Director. There were limited dedicated resources for the SDF during the 2014/15 FY. Despite this, due to non-responsive tenders, it was advertised twice. A service provider has been appointed to assist the municipality to review the SDF and Land Use Management Plan, in terms of SPLUMA. [Spatial Planning and Land Use Management Act]. Draft SPLUMA bylaws were submitted to Council and these are expected to be advertised within the new financial year for comments. Thereafter the draft will be submitted for final approval and gazetting.

Senqu Municipality is a large rural environment consisting of mountainous areas, 86 villages and the towns of Barkly East, Sterkspruit and Lady Grey as well as the hamlets of Rhodes, Rossouw and Herschel. This makes prioritised planning difficult as politically and realistically, not everyone can be kept happy.

Physical planning needs are based primarily on community needs which are prioritized by the IDP & Budget Steering Committee, taking all resources into account. The Technical Services Directorate is involved in the implementation of all infrastructure capital projects, although some are reported on by other departments (e.g., solid waste sites) depending where the responsibility lies. These projects are managed by the Project Management Unit (PMU) of the municipality, including implementation planning, time frames, budget and the like. In the past 2 years it has become apparent that the PMU is critically under-capacitated with 37 projects being managed by only 2 technical personal. The municipality plans to remedy the situation in the 2015/16 Financial Year.

Building plans 2014/2015

Applications outstanding 1 July 2014	Category	Number of new applications received June 2014	Total value of applications received Rand	Applications outstanding 30 June 2015
0	Residential new	2	570 000	0
0	Residential additions	23	1 335 000	0-
0	Commercial	2	400 000	0
0	Industrial	0	0	0
0	Other (specify) rezoning for church	1 (church)	150 000	0

Town Planning Applications 2014/15

Applications outstanding 1 July 2013	Category	Number of new applications received June 2014	Applications outstanding 30 June 2014
0	Rezoning	3	1
0	Consolidation	3	0
0	Sub Division	5	0

These figures are to be updated

PLANNING POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	Year2013/2014		2014/2015					
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	2015/2016	2016/2017	2017/2018
Service Objectives xxxx									
Construction of access roads	Construction of 200 km of access roads	9.5	32	9.5	33	25	20	20	20
Construction of river crossings	Construction of 2 river crossings	2	2	2	2	0	2	2	1
Renovation and construction of municipal property	Renovation of offices, mayoral residence & construction of Fleet Bay	100%	100%	100%	100%	100%	100%	-	-
Sterkspruit Taxi rank	Completion of construction (multiyear)	100%	100% (1 x Taxi Rank)	80%			-	-	-
Construction of houses	1302 low cost units in Barkly East, Lady Grey, Rhodes & Rossouw.	300	1418	69.25%	0%	0%	4000	3500	3500
Reduce electricity losses	To be at acceptable limits (15% or lower)	18%	15.21%	Below 15%	15%	13%	12%	11%	10.5%
Note: This statement should include no more that the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are ‘universal municipal indicators’. *’Previous Year’ refers to the targets that were set in the Year -1 Budget/IDP round, *’Current Year’ refers to the targets set in the Year 0 Budget/IDP round. *’Following Year’ refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) &d Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDP’s play a key role.									

TABLE: EMPLOYEE STATISTICS (PLANNING SERVICES)

EMPLOYEES: PLANNING SERVICES (MIG PMU)					
Job Level TASK	Year 2013/2014	Year 2014/2015			
	Employees No	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3					
4-6					0%
7-9	1	1	1		
10-12	1	4	2		0%
13-15					
16-18	1	1	1	-	0%
19-20					
Total	3	6	4		0%
Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Note: No funded vacant positions for this financial year.

FINANCIAL PERFORMANCE YEAR 2014/2015: PLANNING SERVICES (MIG)					
Details	R'ooo				
	Year 2013/ 2014	Year 2014/2015			
	Actual	Original Budget	Actual	Original Budget	Actual
Total Operational Revenue	1098		1098		1098
Expenditure (Total MIG UNIT)	1098	1 597	1098	1 597	1098
Total Operational Expenditure	1098	1 597	1098	1 597	1098
Net Operational Expenditure	1098	1 597	1098	1 597	1098
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

CAPITAL EXPENDITURE : PLANNING SERVICES					
R'000					
Capital Projects	Year 2014/2015				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Construction of roads in Ward 15	3 824	3 824	2 999	825	3 824
Taxi Rank (Ph 2) Sterkspruit	1 218	1218	1218	0	1218
Construction of road in Ward 5	3 983	3 983	2 842	1 141	3 323
Construction of Ward 5 Bridge	3 004	3 004	2 349	655	2 349
Construction of access roads Ward 19 (Ph1)	13 000	13 000	9 843	3 157	11 800
The Upgrading of gravel access roads in wards 7,8,9 & 12, Phase 4 (b)	15 000	18 000	13 895	1 105	18 000
The Upgrading of gravel access roads in wards 7,8,9 & 12, Phase 4 (c)	15 000 (As above)	18 000 (As above)	3 656	11 344	18 000 (As above)
Construction of roads in Ward 1	1 200	2 222	1 969	-769	2 222
Construction of Access Roads in Wards 3	3 138	3 138	695	2 443	3 138
Construction of Access Roads in Wards 4	2 147	2 147	425	1 722	2 147
Construction of Access Roads in Wards 19 (Ph2)	1 958	5 806	3 665	-1 707	5 806
Construction of roads in Ward 16	6 911	6 911	1 200	5 711	6 911
Plant Purchase (Excavator)	1 900	1 900	1 900	0	1 900
Sterkspruit Sport Field (Ph 1)	3 568	3568	3 568	0	3 568
Cemeteries (5 rural)	1 300	1 300	1 300	0	29 000
Community Hall (Ward 3)	2 850	2 850	1 764	1 086	2 850
Ablution facility 9Sterkspruit)	500	500	187	313	224
Fencing Cemetery (Lady Grey)	500	500	212	288	254
Pound (Lady Grey)	800	800	536	264	579
Nkulleko Park	500	500	207	293	299
Office	5 000	5 000	4 378	622	6 868
Naledi Sport Field	3 268	3 268	817	2 451	3 268
Gcina Sport Field	2 814	2 814	776	2 038	2 814
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					

Comment on the Performance of Physical Planning Overall

In terms of Land Use and Town Planning issues experienced by the municipality, it must be noted that there is only one dedicated planner. The organogram is in process of being reviewed and this will be completed by February 2015 and will take into account the new SPLUMA Regulations and Scopa. It is the intention that at this time the Town Planning and PMU units will be adequately capacitated in terms of the organogram.

SUMMARY OF MIG EXPENDITURE FOR 2014/15:

MIG SUMMARY UP TO 30 JUNE 2015			
Total Allocation	35 838 000.00	100%	Total funds received from MIG
Total spend actual (May 2015)	30 001 964.07	83.72%	Must be over 60%
Estimated further expenditure	0.00	0.00%	
Estimated under expenditure	4 734 149.82	13.21%	Funding committed
Funds uncommitted	1 101 886.11	3.0%	Savings & 129 048.88 uncommitted

UNCOMMITTED FUNDS BREAKDOWN		
Saving	122 056.61	Construction of Access Roads in Ward 1
Saving	832 963.61	Construction of paved roads in Ward 19 Phase 2
Saving	17817.01	Sterkspruit sports field phase 2 (lighting)
Not committed	129 048.88	Public Street Lighting (Barkly East) Construction
TOTAL	1 101 886.11	

CHALLENGES AND IMPROVEMENTS INFLUENCING PROJECTS

CHALLENGES		IMPROVEMENTS
Department Water & Sanitation not assisting timeously on EIA	1	Successful meetings held with the DWS and DEDEA
Objections during public EIA participation processes delaying implementation of projects	2	Objections can be over-ruled dependent on circumstances
Community resistance / Land matters in community lands	3	Politicians aware of the resistance
Poor performance of service providers	4	Successful meetings held with Service Providers to improve performance
PMU under capacitated	5	Council and management are aware of the under-capacity and intend to resolve in the new financial year
Termination of turnkey projects in November 2014 after advertisement (AG) had adverse effect of approximately R7.5m	6	
Non responsive tenders requiring re-advertisement	7	CIDB and SCM are attempting to workshop contractors
Eskom infrastructure matters	8	Letter only received from Eskom in June 2015 on infrastructure usage
Budget estimates not always correct	9	The implementation of SCOA will assist to resolve this but the first year of implementation
SCM Regulations oblige appointment of SP with highest points	10	There is allowance in the regulations for SCM to investigate further service provider for appropriate appointments
Non appointment of contractors due to funding shortages and pending confirmation leads to delays	11	The DAC meetings sit monthly
Project savings remain uncommitted and therefore contribute to uncommitted funds	12	NT will be requested that no funding be removed as all will be used in the new year with projects currently out for tender
Difficulty in start timing of multi-year projects due to budget	13	Unfortunately this cannot be changed with exception of loans

MIG PROJECT DETAIL

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2014/2015)	ACTUAL EXPENDITURE 2014/2015	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
ROADS					
Construction of Access Roads inward 3 (Ekra & Hohobeng)	166 250.00	77 860.00	88 390.00	Funding Committed	Cooling off period (6 month) as construction tender documents did not contain MDB Forms. Will be re-tendered in July 2015 due to change in scope of works in accordance with CIDB Regulations. Application has been done and approved in May 2015 for additional funding due to change in scope of works.
Construction of Access Roads in Ward 4 (Boomplaas & Maqolweni)	117 650.00	55 102.46	62 547.54	Funding Committed	Cooling off period (6 months) as construction tender documents did not contain MDB Forms. Will be re-tendered in July 2015 due to change in scope of works in accordance with CIDB Regulations. Application has been done and approved in May 2015 for additional funding due to change in scope of works.
Construction of access roads in Ward 1: Walaza, Mbobo	252 958.48	130 901.87	122 056.61	Completed	Completed
Internal Street Paving in Ward 19 Phase 1 (Fairview)	2 465 297.29	1 662 902.08	-197 604.79	Completed	Under estimate on budget
Construction of access roads in Ward 5 (Makhumsha)	186 158.20	186 158.20	0.00	Completed	Completed
Construction of access roads in Ward 15 (Exingxengele)	764 717.70	764 717.70	0.00	Completed	Completed
Construction of paved roads in Ward 16 (Zakhele)	5 836 990.25	5 958 713.03	-121 722.78	Completed	Municipal budget under estimate. Payment only
Construction of paved roads in Ward 19 Phase 2 (Fairview)	2 477 882.07	1 644 918.46	832 963.61	Completed	Completed
Access roads Wards 7,8,9 and 12 Phase 4c (Magojweni, Tienbank, Hinana & Jozana Hoek)	3 142 022.17	2 876 975.98	265 046.19	Funding Committed	Project complete. Retention payment only.
TOTAL					

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2014/2015)	ACTUAL EXPENDITURE 2014/2015	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
BRIDGES					
Construction of culvert motorway in Ward 3 – Hohobeng	1 461 930.00	1 133 996.57	327 933.43	Funding committed	Contractor appointed. Only received DWS approval on 20 May 2015. Under construction
Construction of Pedestrian bridge in Ward 4 – Boomplaas	1 430 280.00	891 440.72	538 839.28	Funding committed	Contractor appointed. Only received DWS approval on 20 May 2015. Under construction
HALLS					
Community Hall/Office Ward 9	720 000.00	175 370.21	544 629.79	Funding committed	Contractor appointed. All turnkey projects were re-advertised due to AG concerns in November 2014 which had a huge impact on expenditure due to the planning changes. Budget reduced by R2 580 000.00. Consultant appointed at R389 712.99 and contractor appointed at R3 582 803.40. Under construction.
Community Hall /Office Ward 12	720 000.00	175 370.20	544 629.80	Funding committed	Contractor appointed. All turnkey projects were re-advertised due to AG concerns in November 2014 which had a huge impact on expenditure due to the planning changes. Budget reduced by R2 580 000.00. Consultant appointed at R 389 712.99 and contractor appointed at R3 132 529.55. Under construction.
Community Hall / Office Ward 18	727 000.00	309 849.51	417 150.49	Funding committed	Contractor appointed. All turnkey projects were re-advertised due to AG concerns in November 2014 which had a huge impact on expenditure due to the planning changes. Budget reduced by R2 573 000.00. Consultant appointed at R 438 900.00 and contractor appointed at R2 781 746.38. Under construction.
Community Hall / Office Ward 3	206 845.61	266 047.67	-59 202.06	Completed	Under estimation on the municipal budget.

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2014/2015)	ACTUAL EXPENDITURE 2014/2015	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
SPORTSFIELDS					
Barkly East Sports Field (Ward 16)	8 241 340.67	6 689 805.70	1 551 534.97	Funding committed	Contractor on site. Under construction
Sterkspruit Sports Field Phase 2 (Lighting)	3 079 683.91	3 061 866.90	17 817.01	Completed	Completed
CEMETERIES					
Cemeteries (Ph 2 & Ph3) (Ph 2-Khiba, Mfinci, Bikizana, Jozanasnek)	1 100 000.00	751 311.21	348 688.79	Funding committed	PH2 completed November 2014. Phase 3 expected to be completed by September 2015. Under construction. Community issues had to first be resolved
Cemetery rehabilitation: Ward 3 Musong	50 000.00	50 010.10	-10.10		Consultant appointed Tender for contactor in June 2015
Cemetery rehabilitation: Ward 6	50 000.00	50 010.10	-10.10		Consultant appointed Tender for contactor in June 2015
Cemetery rehabilitation : Ward 3 Qhoboshane	50 000.00	50 010.10	-10.10		Consultant appointed Tender for contactor in June 2015

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2014/2015)	ACTUAL EXPENDITURE 2014/2015	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
SOLID WASTE SITES					
Solid Waste site (Sterkspruit) Ward 10	150 000.00	131 985.60	18 014.40	Funding committed	Environmentalists could not complete EIA due to Civic action and despite the land expropriation, the local community refuse to allow them to continue, and this has to restart again this year. This has resulted in a future funding shortage for construction which will require a second phase application and approval from MIG as the original funding approved will be insufficient. (new estimate R6m)
Solid Waste site (Herschel) Ward 11	50 000.00	0.00	50 000.00	Funding committed	Environmentalists could not complete EIA due to Civic action in previous year and had to restart again this year. This has resulted in a future funding shortage for construction which will required a second phase application and approval from MIG. Service Provider will not submit an invoice until completion and approval of EIA. This is expected towards the end of the next financial year.
Solid Waste site (Rossouw) Ward 15	50 000.00	0.00	50 000.00	Funding committed	EIA has to be redone due to service provider not responding in time to DEDEA. Process is under way and service provider will not submit an invoice until EIA is completed and approved. This is expected towards the end of the Financial Year.
Solid Waste site (Rhodes) Ward 16	50 000.00	0.00	50 000.00	Funding committed	One objection received which has resulted in a new EIA approval being required. Process is underway and Service Provider will not submit an invoice until completion and approval. This is expected towards the end of the next Financial Year.

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2014/2015)	ACTUAL EXPENDITURE 2014/2015	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
STREET LIGHTING					
Public Street Lighting (Barkly East)	500 000.00	115 639.70	384 360.30	Funding uncommitted for R129 048.88	Adjudication insisted on Eskom correspondence which was only received in June 2015 allowing for consultant to be appointed but insufficient time for contactor appointment in current year. The project was only meant to start in the last quarter due to the amount budgeted for in the year and to roll over into the new financial year.
GENERAL EXPENDITURE					
PMU (5%)	1 791 000.00	1 791 000.00	0.00		Ongoing
Over Expenditure (2013/14) Recovery		986 072.38			Once off
TOTAL	35 838 006.35	30 001 964.07	5 836 042.28		

As can be seen above, the MIG grant amount spent was 83.72%. Of the balance 13.21% is committed and the remainder is made up of project savings and an uncommitted amount of R 129 048.88.

As Senqu Municipality is essentially a rural area, under tribal administration (with the exception of commercial farms and urban areas), it is extremely difficult (if not impossible) to control land use and building control in the rural areas. We currently have just one Building Control Officer and three unfunded posts reflected on the organogram. There are no dedicated resources for land use management.

During this period it is noted that:

- The Housing Sector Plan has been approved by the Executive Committee;
- Monthly reports were provided as required regarding zoning and housing plans (Council approves Town Planning matters only and not the Building Plans);
- An updated Building Register was kept;
- An updated Town Planning Register was kept;
- A Town Planner/Land Use Management Officer was employed in February 2014;
- 11 Town Planning submissions were received;
- 28 Building Plans were received;
- The Value of building plans received amounted to: R 2 455 000; and
- Land Invasion is still being dealt with through the municipal appointed legal team although there is very little progress in this regard.

3. 9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Introduction to Economic Development

Senqu Municipality's 5-year LED Strategy was adopted in June 2013 (the adoption having been delayed by the protest action in Sterkspruit).

As per the IDP (2011-2016) it is noted that it is the intention of the LED's 5-year strategy to achieve the following:

- Achieve and maintain an annual growth rate of 5.5% from 2016 and beyond;
- Reduce unemployment to 20% (by 2017);
- Improve black-ownership and participation in the mainstream economy (especially within tourism and agriculture); and
- To build strong and sustainable LED capacity, institutions and resources.

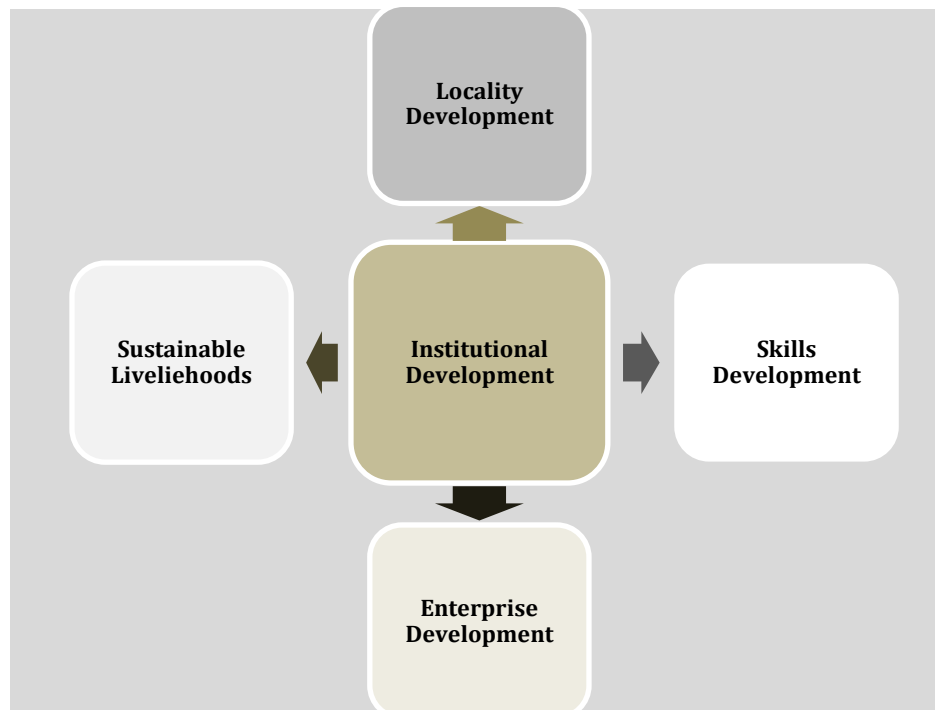
Taking these targets into account, the following figures are noted as against the 2017 targets (as reflected in the IDP):

Figure: LED Strategy 2012 Performance Baseline

HIGH LEVEL LED PERFORMANCE BASELINE (2012-2017)		
Indicator	2012 (Current)	2017 (Target)
GVA Growth	3.035 p.a.	5.5% p.a. (minimum)
Unemployment	30.34%	20%
Poverty	62.93%	52%

LED Strategy Development Thrusts

The Senqu LED Strategy (2013) has 5 integrated LED development thrusts and priorities (strategic focus areas) as depicted within the diagram below:



- **Development Thrust 1: Locality Development**

The Locality Development Programme will be focused on achieving the following outcomes:

- Making the municipal area more attractive to investors, tourists and individuals; and
- Improving the physical and environmental appeal of the area.

- **Development Thrust 2: Enterprise Development**

The purpose of Enterprise Development Programme is to:

- Create a conducive environment for existing, new and start-up businesses;
- Improve profitability, competitiveness and sustainability of locally-based enterprises; and

- Prioritise development of key growth and employment sectors e.g. Agriculture, Tourism and Green Economy.
- **Development Thrust 3: Sustainable Livelihoods**

The purpose of the sustainable livelihoods programme is to:

- Provide the poorest of the poor with alternative livelihood options;
- Support income generation activities for the poor; and
- Facilitate job creation projects that will benefit the poorest of the poor

- **Development Thrust 4: Skills Development**

The purpose of the skills development priority is to:

- Build the necessary skills base for economic growth and development;
- Improve employability and active economic participation;
- Support key growth and employment sectors.

- **Development Thrust 5: Institutional Development**

LED institutional development in Senqu is designed to:

- Improve municipal capacity to coordinate and facilitate LED processes;
- Establish appropriate mechanisms to implement this LED strategy;
- Mainstream LED across municipal functions and activities;
- Foster sustainable partnerships with key and relevant stakeholders; and
- Improve monitoring and evaluation of LED projects and initiatives.

ECONOMIC INDICATORS (as reflected in the IDP)

- Senqu **local economy** generates around one quarter (25.7%) of total District GVA. This is the second largest contribution after Elundini (39.0%) and is comparable to Maletswai that shares (24.3%) of the JGDM economy.
- From 2000 to 2010, the local economy has grown at an average rate of 3.0% pa. The District and provincial economies have averaged 5.6% pa and 3.2% pa, respectively, over the same period.
- **Total formal employment** in the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e. ranking second to Elundini (36.7%) and ranking higher than Maletswai (22.2%) and Gariep (13.2%).

Economic Growth, Structure and Sectors

- The **tertiary sector** contributes the greatest share of GVA (82.3%) and formal employment (68.8%) to the Senqu local economy.
- The Senqu economy claims a comparative advantage in the primary sector, with a location quotient (LQ) of 1.18, where both Agriculture (LQ: 1.15) and particularly Mining (LQ: 2.16) are claimed as advantages.
- A **comparative advantage** is also enjoyed in the tertiary sector, with a modest location quotient of 1.03, which is principally due to the relative strength of the Community (LQ: 1.20) and General Government (LQ: 1.23) Services.
- No comparative advantage in the secondary (LQ: 0.80) sector emerges, although several **manufacturing sub-sectors are claimed as advantages** (i.e. the radio and instrumentation (LQ: 3.88). Furniture and other manufacturing (LQ: 2.65) industries, with less pronounced advantages (LQs) also claimed for the following manufacturing sub-sectors: Electrical machinery and apparatus (1.86); Petro-chemical products (1.72); Transport equipment (1.08); and Textiles, clothing and leather goods (1.02).
- **Community services and General government** (Services) account for the bulk (39.8%) of local GVA and for 37.4% of all local formal employment. The dominance of Services contributes to the concentration of the local economy (Tress Index: 63.48), as well as of the District economy which has a tress index of 58.28. Given that diversification is essential for a robust and resilient economy, the promotion of economic development across a range of sectors, away from the current concentration on Services, will mitigate against negative seasonal or sectoral impacts.
- Considering **tress indices** for Senqu, from 1995 (63.60), through 2000 (63.41) and 2005 (61.47), the local economy has become less concentrated (more diversified), but has since reversed that trend to become more concentrated (63.48) in 2010. This reversal is arguably owed to the continued dominance of services coupled with the increased prominence of a second sector, namely Finance (27.9%).
- The only other sectors to have increased their share of GVA contribution to the local economy, from 2005 to 2010, are Manufacturing, from 7.1% to 8.2%, and Construction, from 2.2% to 3.0%.
- **The Finance sector** has grown, since 2000, to displace both Community services (13.6%) and General Government (26.2%) as the largest sectoral contributor (27.9%) to Senqu GVA in 2010, although Services (considering both Community and Government sectors together) does retain its overall dominance in the local economy.

- The profile of formal employment differs from that of GVA, where Services is marginally dominant in Senqu (37.4%) and Maletswai (30.8%), followed closely by Agriculture at 36.3% and 30.4% respectively. By contrast, Agriculture dominates formal employment in Elundini (36.3%) and particularly Gariep (47.6%), followed by Services at 30.6% and 29.7% respectively.
- Finance, like Services, is not strictly a driving sector in that no new productive value is generated, although both can play significant roles, as services, in facilitating (or limiting) an enabling environment conducive to local economic development. Beyond these dominant service-related sectors, potential local economic drivers emerge as mining and quarrying together with the Manufacturing sub-sectors of Electrical machinery and Transport equipment. The latter industries emerge as leading (GPI >100) comparative advantages (LQ >1; positive shift in share) and further claim higher than average growth rates, with the notable exception of Mining (-1.9%pa).
- Agriculture, while being claimed as a comparative advantage (LQ: 1.15), emerges as a lagging sector (GPI: 95.11) and reflects negative growth (-3.2%pa) as well as relative loss in share (-1.5%) of the District economy.
- While **Mining** emerges as a relatively significant economic sector in terms of performance, no corroborating information regarding mining, quarrying or related activities, such as sand-winning, is found in the Senqu IDP (2011). Mining generates a comparatively small contribution to both GVA (0.3%) and formal employment (0.5%) in Senqu, but does emerge as a leading (GPI: 124.69) comparative advantage (LQ: 2.16; 11.0% shift in share) in the District.
- The other primary sector of **Agriculture**, in spite of a lagging performance (GPI: 95.11) and negative shift in share (-1.52%), makes a relatively significant contribution to local GVA (5.5%) compared to the District (4.8%) and particularly the Province (2.1%). Moreover, agriculture's contribution to formal employment in Senqu (36.3%) and in the JGDM (36.6%) and contrasted with 19.3% provincially, represents more than one third of local formal employment. Senqu is characterised by a strong presence of subsistence agriculture, which does not contribute directly to the formal economy but does enhance local food security and survivalist economics at household level, and further presents opportunities for skills development and growth in small-scale agricultural development.
- The Senqu IDP (2011) notes that commercial farming is mainly in small stock (sheep and limited numbers of goats) together with some cattle farming. Limitations to commercial agricultural development, beyond the predominance of subsistence agriculture, lie in the limited extent of arable land in Senqu – one of the most degraded areas in South Africa – although intensive production of selected fruit with related processing and packaging opportunities, as well as marginal production of dry

beans and grain sorghum, have been identified for Senqu Municipality. (JGDM 2010; UKDM 2009);

- The District LED Strategy (UKDM November 2009) identifies **route tourism** as a significant opportunity for the District as a whole, where Senqu is presently the most developed tourism destination and where eco and adventure tourism offer the greatest potential for further development. Furthermore, Tourism was identified as a leading product for the Senqu local economy in 2004 (ECO 2006), with scenic beauty, hiking and wildlife attractions, and trout fishing, together with South Africa's only ski resort at Tiffendell. Along the tourism value chain there is potential for developing SMMEs, particularly in respect of small scale accommodation facilities and tourism products and services, including crafts and entertainment and guiding. A further local economic opportunity relates to local procurement in respect of services, products and supplies such as furniture, bottled water and services such as repairs and maintenance.
- The Senqu IDP (2011) **identifies Agriculture and Tourism** as the major economic drivers of the local economy. Conventional and traditional agricultural practices may offer limited returns, recognising the local environmental limitations. Notwithstanding, alternative intensive practices (notably hydroponic production), can be exploited, particularly where enabled by good water quality. Where such is realisable, further advantages required for exploiting growth in intensive agricultural production include marketing together with reliable and affordable transport, as well as quality food hygiene packaging and processing processes that conform to national and ideally international, standards.
- **Tourism** does emerge as a key potential economic sector, and economic driver, particularly with the inclusion of the country's only ski resort, Tiffendell. The Senqu IDP (2011) notes that mountain tourism is the most active tourism node, albeit seasonal in nature with strong winter adventure tourism and with Tiffendell ski resort being the "key pin" with linkages to the Rhodes, Barkly East, Maclear, Ugie and Lady Grey areas.

Tourism is not a distinct economic sector but a consumption-based service industry that encompasses many different economic activities. As a general rule, tourism figures are included within the tertiary sector, particularly Trade (Wholesale and retail trade, and Catering and accommodation) which generates 9.0% GVA (8.6% trade; 0.4% catering) and 9.7% formal employment (8.8% trade; 0.9% catering) in 2010. However, the Trade sector has declined over the past 10 years in respect of GVA (-4.0%pa) and formal employment (-2.5%pa). Informal sector 'employment' in Trade has also declined (-0.5%pa) although this decrease applies to the catering sub-sector (-10.4%pa), whereas the trade sub-sector has grown (0.1%pa) and now accounts for around one third (33.5%) of all informal 'employment'.

Comparative and Competitive Advantages

- **Basic Services and Infrastructure**

- The local municipality performs above District average in respect of access to all **basic services** excluding refuse removal, where only 13.45% households in Senqu enjoy regular municipal refuse collection services.
- The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing, energy, and sanitation. In Senqu's favour is the considerable allocation of local government equitable share.

- **LED Support System**

- The Senqu Municipality has a dedicated LED Unit located within its planning department. The Unit is responsible for coordination and facilitation of LED processes in Senqu as well as advising Council on LED matters. The LED Unit is not fully-staffed and its capacity needs to be severely increased.
- Senqu is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi.
- With regard to Senqu, the Agency has prioritised commercial property development and plastic manufacturing as its immediate flagship projects. Its other partners are the local tourism organization (Senqu Tourism Association) and the Small Enterprise Development Agency (SEDA) which provides support services to tourism enterprises and other small businesses in the area. The capacity and programmes of both organizations need up-scaling through the provision of additional human and financial resources to reach across the municipal area. Other partners include the JGDM, ECDC, DLGTA, DEDEA and the Department of Agriculture.

- **EPWP, CWP & Enterprise development**

EPWP & CWP programmes are operated very effectively within the municipality. Enterprise development is however struggling as SMME's and Co-operatives struggle to become financially viable. The municipality continues however to support these initiatives through its percentages in its supply chain management policy.

- **Tourism**

- **Scenic beauty, hiking and wildlife attractions and trout fishing.**
- South Africa's **only ski resort at Tiffendell**. Tiffendell Ski Resort is the only ski resort in South Africa and is uniquely positioned to capture the local skiing market. Opportunities exist to promote Tiffendell as a venue for international events such as the World Snowboard Championships.

- Reopening of the **historic railway line** between Aliwal North and Barkly East passing through Lady Grey is also a unique development option that will attract tourists;
- **Agriculture**
 - Wool production
 - Agriculture is one of the major economic drivers of the local economy and considered one of the New Growth path's job drivers.
 - In 2010/11, 46 099 196 kilograms of greasy wool was produced in South Africa. Out of this the Eastern Cape produced 14 300 585 kilograms. The Barkly East magisterial district produced 897 677 kilograms and the Lady Grey district 197 727. The entire Transkei produced 3 467 686 kilograms. In 2011/12, 44 807 741 kilograms were produced out of which the Eastern Cape produced 13 950 406 kilograms. Barkly East 876 812, Lady Grey 178, 107 and the Transkei 3,357,008 (Cape Wool production figures 2010-2012). **This makes Senqu one of the largest producers of wool in the Eastern Cape.** Its climate and topography makes it well suited to expand this type of farming.
 - **Bottling of fresh spring** water is a potential niche. Senqu has pure, clear water that is already being bottled on a small scale. Potential may exist for further expansion.
 - **Strategic location and proximity to** Lesotho provides development opportunities near the Telle Bridge border post as well as for the revitalisation and upgrade of Sterkspruit. These provide major tourism development opportunities for both Senqu and Lesotho.

CHALLENGES

- **Geographic Challenge**
 - The majority (86%) of the Senqu population live in predominantly rural areas consisting of rural villages and farm households. The average population density is 3.24 households per square kilometre. This is lower than the district and provincial population density of 3.27 and 3.89 households per square kilometre, respectively.
 - The population density is 17.23 persons per square kilometre - indicating that people are scarcely located, making it extremely costly and difficult to provide the prerequisite services and conditions to address unemployment and poverty.
- **Dependency Challenge**
 - For every formally employed person there are 8.08 people that depend on the same income resources in Senqu.
 - Despite a large potentially economic active population (57% or 72 003 people), the economy is unable to provide the required economic and employment opportunities for all these people. In the current form and conditions, the local economy can only provide employment and economic opportunities for only a

quarter (25.13%) of the potentially EAP. This calls for the drastic improvement of the socio-economic conditions to ensure that more opportunities.

- **Poverty Challenge**

- Despite experiencing positive economic growth between 2000 and 2010, Senqu's economy has been unable to create meaningful benefits for the poor.
- The poverty rate is 62.93% - much higher than the provincial average of 53.61%. Dependency on social grants is highest in Senqu (37.42%) compared to the district (34.46%), provincial (31.54%) and national (22.68%).
- The state of household savings reveals a high degree of indebtedness (-R464) for Senqu which further exacerbates the poverty challenge.
- Although the Municipality has and continues to support a number of poverty alleviation projects, in many instances these have not yielded many results, largely owing to poor methodologies, lack of appropriate support and institutional capacities. In many instances the impact of these poverty alleviation projects remains unknown.

- **Employment Challenge**

- Based on the official definition, more than one third (30.34%) of the economic active group in Senqu is unemployed while the district average is 23.54%.
- Including those not actively seeking for work, unemployment in Senqu is as high as 65% compared to 54% and 48% for the district and Eastern Cape respectively.
- Between 2000 and 2010 formal employment growth was negative at -2.27%, performing worse than the district (-1.23%) and province (-0.21%) respectively. The reason for negative formal employment growth can be attributed to:
 - Poor performance of agriculture, trade and manufacturing sector;
 - Over-dependency on the services sector; and
 - Recession and global environment.
- The quality of available jobs in Senqu remains a concern. For example it must be noted that the majority of the informal and formal employment is to be found in the Agriculture and Trade sector (excluding the services sector). These jobs are not high paying and therefore do not necessarily provide a good quality of life.

- **Income Challenge**

- With about 50.25% of the households earning no income at all and 21.39% earning between R1 and R1600 per month, almost two thirds of Senqu households are indigent. Of these, more than one quarter of households (6134) earn R400 or less per month. This is indicative of Senqu's low economic base, a factor that makes it less attractive to investors. This has negative repercussions for the economy and

the municipality as more and more people cannot afford to pay for their livelihoods and services.

- **Literacy Challenge**

- Only 58.66% of the adult population can read and write compared to the provincial average of 66.7% and the national average of 73.62%.
- Approximately one tenth (10.81%) of the adult population have a matric while almost 15% have no formal education. Considering that the majority of people are living in poverty, the relatively low literacy levels make it difficult to find better livelihood options.

- **Skills Challenge**

- The majority of the adult population (32.21%) are unskilled.
- There is a major shortage of technical skills (currently only 0.19%).
- Notwithstanding it is worth noting that Senqu has a relatively high proportion of professionally skilled persons (23.46%) as compared with the district (15.49%) and province (13.53%).
- The lack of appropriate skills affects the performance of the economy, as much as it affects the delivery of basic services.

- **Infrastructure and Land Challenge**

- Senqu performs above district average in respect to all basic services with the exception of refuse removal where only 13.45% households are provided with the municipal refuse collection services,
- Infrastructure backlogs remain an area of constraint that must be addressed to unlock better growth and new investments into the area. The following are noted (by way of example):
 - Extension of electrification to certain rural areas and plucking of high leakages caused by poor maintenance and aging infrastructure;
 - Surfacing the 562Km gravel road backlog and improving maintenance on existing access roads and bridges;
 - Improvement of waste management (backlog of 31 155 households) to address infrastructural shortages and environmental issues;
 - Housing provision (backlog of RDP houses); and
 - Land tenure issues, claims, rights and invasions.
- The effect of migration into urban areas such as Sterkspruit is also putting major strain on existing infrastructure in these areas. A more integrated approach addressing social, economic and infrastructural issues is critical.

- **Land**

- Senqu Municipality has communal land in the former Transkei homeland situated around Herschel and Sterkspruit, bordering on Lesotho. The land tenure in this area is a mixture of freehold, quit rent and PTO. Land tenure and rights in this area have traditionally been vested in traditional authorities with the Department of Agriculture distributing PTOs. The rest of the area is either freehold tenure in the former RSA towns or commercially owned farmland (Senqu SDF 2009).
- The majority of the municipal land is unimproved grassland (75.6%), with only 6.6% of the area used for cultivation purposes.
- Approximately 13% of the surface area is classified as degraded: that is, it has previously been subjected to poor land use and management practices (e.g. overgrazing or inappropriate cultivation methods). Only 1.1% of the surface area is developed as built areas, including the urban areas of Sterkspruit, Lady Grey and Barkly East, as well as the rural settlements.
- Major challenges are experienced regarding land invasions of municipal owned or state land. This is due to lack of land being offered for sale and people being unable to afford land but wishing to be closer to prospective employment and urban amenities in the urban areas of Barkly East and Lady Grey.
- In the smaller rural hamlets of Rhodes, Rossouw and Herschel people are invading land and building informal settlements in order to move closer to urban amenities or receive housing with freehold tenure especially farm workers.
- Additionally, the land redistribution challenge is required to be met. For example, to be able to meet the 30% redistribution target by 2014, 166 000 ha will need to be redistributed at 33 000 per annum at a total cost of R 83 million if the price remains at around R 2500 per hectare (JGDM ABP 2010).

- **Growth Challenge**

- Between 2000 and 2010 average growth was 3.03%. Despite outstripping the average population growth (-0.89%) for the same period, this growth has not been sufficient to cause any significant dent on unemployment and poverty. It is also far below the national target of 4% to 7% required to necessary positive employment growth. The reason for limited growth can be attributed to:
 - Over-dependency of the economy on the services sector which accounts for one quarter of the total GVA and formal employment;
 - Significant spending outside the Senqu area (leaking bucket phenomenon);
 - Poor performance of agriculture, trade and manufacturing sectors;
 - Low income levels that are not attractive for investors;
 - Lack of innovative value add approach to the economy; and
 - Effects of recession and globalization.

- **Institutional Challenge**

- Senqu lacks appropriate institutional capacities, networks and systems to support LED and improve stakeholder participation in LED processes. Critical institutions such as LED Fora have not been functional for many years now.
- The capacity of the LED Unit is also limited in terms of LED experience, tools, systems and exposure.
- There is a need to improve the mainstreaming and institutionalization of the LED mandate across the municipality.
- The participation of the business sector in LED processes, especially the more established industry leaders in Senqu has always been minimal. Coupled to this is the lack of an appropriate enterprise development system. The understanding and application of LED by the municipal leadership, not excluding community and business leaders, also needs to be greatly improved if this LED strategy is to result in any significant changes.

- **Stakeholder Involvement**

The Municipality has been revising the LED Forum and is launching the Economic Development Forum. The aim of the forum is to:

- Provide LED facilitation and support within the Senqu municipality.
 - Advise on development choices by understanding the local context enough to validate claims made about local potential.
 - Mobilise local stakeholders.
 - Facilitate local partnerships within and between local public and private organisations.
 - Develop an annual work plan to implement the LED strategy that is reported on quarterly
 - Assist with and advise on local economic development initiatives.
 - Coordinate all local economic development initiatives within the municipality.
 - Provide information and create awareness about LED within the municipality; and
 - Monitoring and evaluation of local economic development projects.
- The forum was meant to be launched on the 20th June 2013 but this was delayed due to civic protests in Sterkspruit which hampered and disrupted the movement of delegates. The smooth functioning of this forum will assist with the implementation of LED in the region.
 - The formulation of the LED strategy did involve all stakeholders and a LED day was held on the 26 March 2013 to bring all relevant stakeholders together for their views on LED in the municipality.
 - The municipality is also in the process of furthering its relationship with the Sterkspruit Business Forum. Unfortunately other business chambers are defunct or unwilling to engage in discussions with the municipality due to protest action.

- Other stakeholder forums include the LTO, small farmers association and agricultural forum. These forums require more capacitation and engagement to keep the functioning effectively.
- The municipality engages with sector departments through District Support team meetings on a quarterly basis and IDP Representative Forum meetings.

Investment Attraction, Small Town Revitalisation and Policy Framework

- The municipality is expending great effort to attract investors to the municipal areas by ensuring that towns are kept clean and that grass and trees are cut and pruned regularly. **Senqu was ranked 3rd place winner in the cleanest town competition.**
- In addition the municipality is spending its neighbourhood development grant on beautifying the entrance to Lady Grey by planting trees and providing pathways linking the township to the CBD.
- The emphasis in Sterkspruit is on consolidation of neighbouring settlements into the existing town and resolving land tenure issues.
- The intention was to develop a precinct plan for Sterkspruit for the 2012/13 FY but due to civic action the plan was delayed.
- Money was set aside in the 2013/14 FY to develop a small town revitalisation plan for Barkly East. Funding to implement the plan was to be sought. Applications have been made to DEA for community parks for both Barkly East and Lady Grey. The lack of available land prevented Sterkspruit from forming part of the application.
- The policy framework regarding businesses was to be revisited in the 2013/14 FY in order to determine areas of hindrance for business development. These include the bylaws on building control regulations, business and street trading, liquor trading, preparation of foods at registered private kitchens and taxi ranks and taxi ranking. This is still required to be completed and needs to occur together with an economic profile of each town.
- A draft Trade and Investment Policy was completed in the 2013/14 FY but it was decided that due to the economic consequences of implementing the project, it should rather be a district wide initiative. This policy has now been submitted to the development agency JOGEDA in order that they pursue it further.

The Expanded Public Works Programme

The EPWP policy was adopted by Council on the 25th October 2012. This policy outlines the institutional arrangements for implementing EPWP, roles and responsibilities, the employment opportunities, training and EPWP target, conditions of employment, target groups and reporting process. The Director of technical Services is responsible for implementing EPWP but the co-ordination will be done by the EPWP Steering Committee.

The objectives of the EPWP programme are as follows:

- To create job opportunities by reviewing the manner in which municipalities implement existing projects/programmes;
- To identify and propose programmes that will contribute towards additional job creation opportunities; and
- To ensure that the proposed job creation programmes form part of the service delivery mandates of the municipality.

These principles have been incorporated into the municipality's efforts to increase employment opportunities for its residents. Projects have included: basic road maintenance, paving of streets, picking up refuse, pothole repair and stormwater channel maintenance.

To date, the Expanded Public Works Programme (EPWP), funded by the Department of Public Works) is considered to have been successfully implemented and in the 2013/14 FY. 255 monthly jobs were created on the Job Creation Project and an amount of 133 created within infrastructure projects. Management and politicians review the program each year to ensure that sustainable work opportunities are created and that graduates from the programme acquire skills which increase their employment opportunities. The CWP programme has been increased to provide jobs for 2000 participants in 2 wards. From its inception, internal and MIG infrastructure projects have also been registered with the EPWP and have resulted in the opportunity to provide many job opportunities and to obtain benefits from the labour rebate program of the EPWP.

The table below details the EPWP project costs and results for the 2013/2014 period:

EPWP PROJECTS (2013/2014)	BUDGET	ESTIMATED NO. OF JOBS
Community Hall Ward 3	2.850 M	9
Rural cemeteries	1.3 M	18
Barkly East Park	500 K	9
Lady Grey Cemetery fencing	500K	9
Road ward 1	2.2 M	7
Roads 7,8,9 & 12 (Ph 4c)	5.9M	15
Roads Ward 5	3 M	22
Roads Wards 15	3.4 M	20
Roads ward 16	6.9 M	7
Roads Ward 19 (Ph 2)	5. 8 M	17
Job Creation Project	6.3 M	255

The table below details the EPWP project costs and results for the 2014/2015 period:

EPWP PROJECTS (2014/2015)	BUDGET	ESTIMATED NO. OF JOBS
Community Hall Ward 3	2.850 M	11
Rural cemeteries	1.3 M	24
Barkly East Park	500 K	9
Lady Grey Cemetery fencing	500K	9
Road ward 1	2.2 M	12
Roads 7,8,9 & 12 (Ph 4c)	5.9M	31
Roads Ward 5	3 M	15
Roads Wards 15	3.4 M	15
Roads ward 16	6.9 M	21
Roads Ward 19 (Ph 2)	5. 8 M	16
Job Creation Project	6.3 M	202

Support Social Investment Programme

The Sustainable Developmental Community/Social Development Programme (SIP) is a project that is intended to move beyond project-based community economic development. The emphasis is on empowerment and innovative methodologies are utilized to systematically build community competence and capacity. Under these circumstances, Senqu is required to present its plan to create the conditions required for the second economy through community based organisations and informal business associations. Information required includes: the number of cooperatives, small business associations and women/youth associations, develop and maintain unemployment data base.

Annual Performance as per key performance indicators in LED (2014/2015) (TBA)

INDICATOR NAME	TARGET SET FOR THE YEAR	ACHIEVEMENT LEVEL DURING THE YEAR (ABSOLUTE FIGURE)	ACHIEVEMENT PERCENTAGE DURING THE YEAR
Percentage of LED budget spent on LED related activities	100	100	100
Number of LED stakeholder forums held	4	4	100
Percentage of SMME that have benefited from a SMME support programme	----	19 directly from Senqu, 4 submitted to DEDEA RLED	----
Number of job opportunities created through EPWP	2000 (CWP)	2089 (2059 participants worked)	100
Number of job opportunities created through PPP	0	0	0

Job Creation

JOBS CREATED DURING YEAR 2014/2015 (OTHER INITIATIVES AND EPWP PROJECTS)				
Total Jobs Created / Top 3 initiatives	Jobs created No.	Jobs lost/ displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/ lost
Total (All Initiatives)				
Year 2010/2011	486	48	4416	Attendance register, obtaining certified ID copies
Year 2011/2012	498	25	4938	Attendance register, obtaining certified ID copies
Year 2012/2013	366	16	3696	Attendance register, obtaining certified ID copies
Year 2013/2014	388	0	3697	Attendance register, obtaining certified ID copies
Year 2014/2015	TBA	TBA	TBA	TBA
Projects				
Construction of access roads-Wards 7,8,9 & 12 (Phase 4c)	15	0	90	As per EPWP Reporting
Ward 3 Makalalakeng Community Hall	9	0	36	As per EPWP Reporting
Barkly East Park	9	0	27	As per EPWP Reporting
Lady Grey Cemetery	9	0	27	As per EPWP Reporting
Job Creation Programme	255	0	3060	As per EPWP Reporting
Sterkspruit 5 Rural Cemeteries	18	0	54	As per EPWP Reporting
Access Roads Ward 1	7	0	21	As per EPWP Reporting
Paving Barkly East (Ph2)	17	0	102	As per EPWP Reporting
Access Road Ward 5	22	0	132	As per EPWP Reporting
Access Road Ward 15	20	0	120	As per EPWP Reporting
Access Road Paving Rhodes	7	0	28	As per EPWP Reporting
Construction of access roads-Wards 7,8,9 & 12 (Phase 4)	18	-	108	As per EPWP Reporting
Zakhele Community Hall	9	-	54	As per EPWP Reporting

JOBS CREATED DURING YEAR 2014/2015 (OTHER INITIATIVES AND EPWP PROJECTS) Cont.				
Total Jobs Created / Top 3 initiatives	Jobs created No.	Jobs lost/ displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/ lost
Construction of Transwilger Bridge	15	-	90	As per EPWP Reporting
Constructions of Transwilger Taxi Route	25	-	125	As per EPWP Reporting
Job Creation Programme	250	16	3000	As per EPWP Reporting
Kwezi Naledi Development Node	27	-	267	As per EPWP Reporting
Mayoral Residence, Old Age Home & Vehicle Yard	13	-	52	As per EPWP Reporting

Note:

- The municipality has its own internal job creation project which uses the services of interns on a one year contract basis and outside general staff on a 6 monthly rotational basis. Other skilled staff are hired for a period of one year. This project is then registered as an EPWP project.
- All infrastructure projects are also registered as EPWP projects and the gender guidelines of the EPWP are adhered to as part of the mainstreaming programme.
- The main challenges on the job creation programme have been to ensure that there is sustainability and economic service delivery linked to lack of sufficient skills and transport.
- The municipality will find alternative sustainable methods of job creation in the new FY.
- Since its inception the Job Creation budgeted funding has been R 13 million of which all was spent. Initiative Grant Funding received from the EPWP in this period was R 4.5 million which formed part of the above funding. The municipality in this period counter funded job creation to a value of R 8.5 M.
- This is an on-going programme to which the Council has dedicated as priority in order to achieve sustainable development of the area into the future.
- The EPWP targets for 2013/2014 were overachieved.
- For 2013/2014 EPWP was over achieved by 3196 and a total of 3696 job were created; and 1875 CWP participants were recruited (Noted the number of CWP was not prescribed in the target set for the FY).

- During 2014/2015 the number of jobs opportunities created through EPWP (CWP) was 2089. (Over achieved by 59) of the 2089 jobs created, 2059 participated.
- Numbers of work opportunities created though EPWP (infrastructure) – the target of 500 jobs was exceeded by 3196 and in total 3696 jobs were created.

LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	Year		Year			Year	Year	
		2012/2013		2013/2014			2014/2015	2015/2016	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Training of people in essential skills x, y, z	Number of people trained (including retrained, upskilled)	No target	2 x person trained as qualified electrician 2 x plant operators	No target	3 x person trained (Plant Operator)	3 x person trained (Plant Operator)	4 people trained	4 x people trained	2 x people trained (Planned)
Legislative Training	Number people in SCM trained for CPMD	No target	1 in process (multiyear)	4	4	1 Completed 3 started	1	1	2
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (iii)) must be incorporated in the indicator set for each municipality to which they apply. These are ‘universal municipal indicators’. ‘*Previous Year’ refers to the targets that were set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6 sets out the requirements for the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

EXPENDITURE YEAR JUNE 2014 ON EPWP (LOCAL ECONOMIC DEVELOPMENT INITIATIVES)					
R'000					
Capital Projects	Year 2014/2015				
	Budget	Adjustment to Budget	Actual Expenditure	Variance from Original Budget %	Total Project Value
Total All					
Job Creation	6480	9537	7554	20%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					

Comment on Job Creation Performance Overall (TBA)

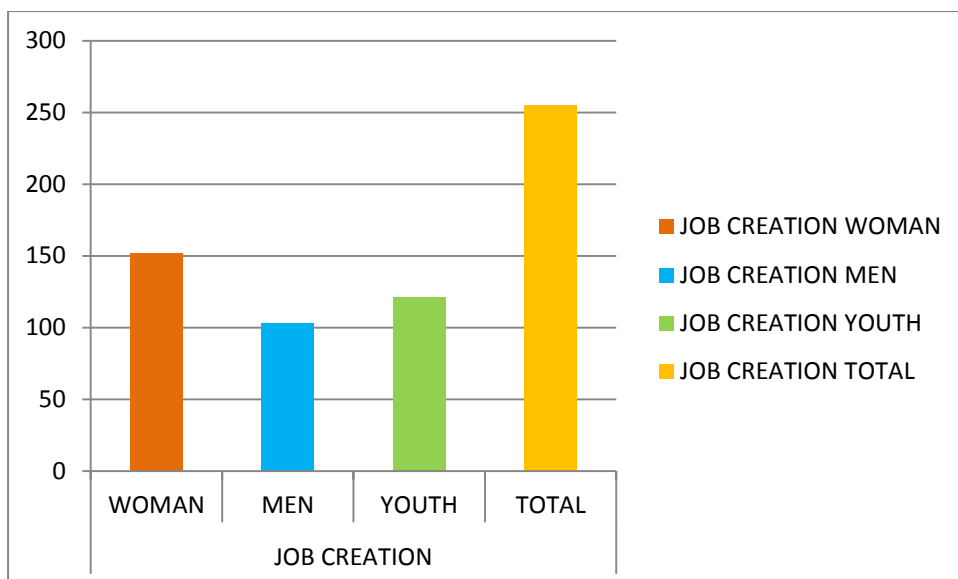
It must be noted that overall and in general, the job creation project has proved to be successful since its inception in July 2010. From this time, up to the end of June 2014, 4 973 temporary jobs were generated.

Currently in 2013/14, 26 interns on 3 year contracts, of which 1 intern absorbed by the municipality as well as 208 general workers, 11 supervisors and 11 skilled workers.

During this period, the municipality has budgeted a total of R 6 300 000 of which a total of R 6.9 M was spent. Incentive grants from the EPWP received over this time period amounted to R 2.1 M which is included in the allocated budget for job creation. The budget was overspent due to security requirements that were not budgeted for due to the Sterkspruit unrest.

Employment break down figures for 2013/ 2014 in the Job Creation Project are as follows:

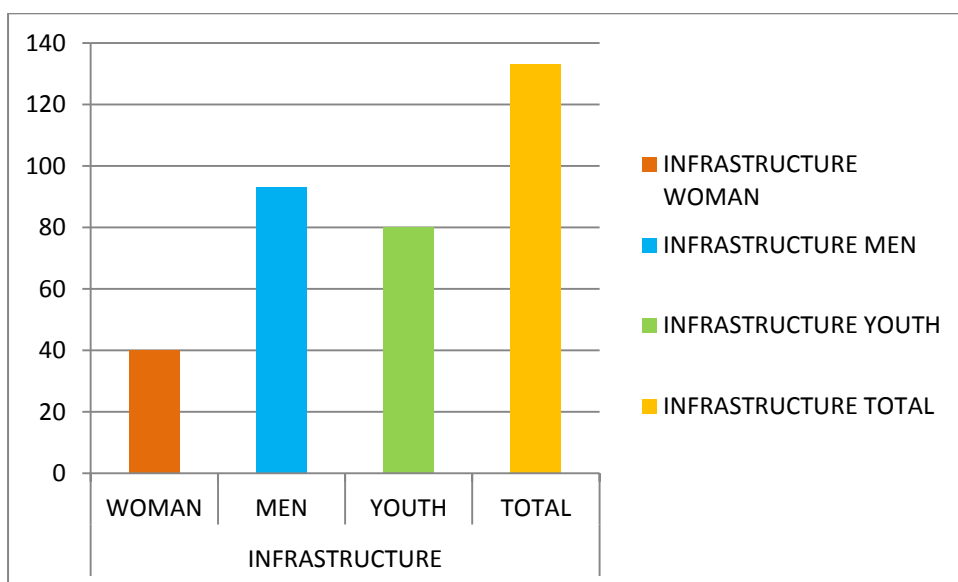
- Woman: 152
- Youth: 121
- Men: 103



Jobs created by department

Under the MIG infrastructure capital projects, for the same period, a further 133 jobs were created as follows:

- Woman: 40
- Youth: 80
- Men: 93



As can be seen above, due to the nature of infrastructure work, more men were utilized than woman.

As a matter of great urgency there exists a need to look into the main streaming of disabled persons and the incorporation of these into these programmes where at all possible.

Challenges regarding LED strategy implementation

Challenges within the LED function continue and are experienced as funding constrains and staff capacity to deal with the challenges. These are reflected on and the following remedial action proposed:

- The municipality lacks functioning business structures which can work together to promote and attract investment. This business structure will also form a link whereby the municipality can interact with private businesses and develop the necessary and appropriate infrastructure and policies to attract and maintain investment.
- Local contractors have low CIDB level rating and do not benefit from Municipal tenders. Need to look at increasing contractor training with partners to improve the number of local firms benefitting from tenders.
- Understanding and knowledge of the strategy and the national LED framework is limited and more effort must be extended by the LED Unit in order to expand the knowledge of ordinary citizens and influential stakeholders. This will result in a more co-ordinated and unified approach to the implementation of LED.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.10 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER

Introduction to Libraries, Community Facilities & Other

Libraries

Libraries receive funding in terms of DSRAC Government Grant. The objective of the Library Service is reflected as follows:

- The provision and reading of study material in order to promote reading amongst the youth;
- Promotion and participation in library week activities;
- Promotion of libraries in rural areas;
- Establishment of book clubs; and
- Selecting books from the book fair.

Library locations:

- Lady Grey
- Barkly East
- Sterkspruit

- Rhodes (satellite library)
- Rossouw (satellite library)

2013/2014

Senqu Municipality runs this service as an agency function for the Department of Sports, Arts and Recreation. It was clear that moving forward, additional funding will be required in order to ensure that this service ultimately meets the demand of the school and university learner.

2014/2015

- The SLA with DSRAC was signed by the Municipality on the 7th July 2014 and was only returned by DSRAC in November 2014. Delays were also experienced in the signing of SLA's with local municipalities. These factors have delayed the transfer of funds and this has impacted negatively on the library services provision;
- Monthly reports on library activities are provided to Province;
- Staff absences from staff employed by DSRAC and the non-accessibility of libraries has proved to be challenging;
- Library circulation and activity reports were submitted monthly to the Director and to the Standing Committee;
- Systems and procedures have been developed for libraries in order to effect controls on the administration of libraries;
- A new library in Sterkspruit was opened during the financial year although it must be noted that this has not yet been handed over to the municipality by DSRAC; and
- Manual systems are used to record data and reporting.

Library services & related statistics (2014/2015)

LIBRARY	NUMBER OF FACILITIES	USERS	CIRCULATION OF BOOKS
Rhodes	1	218	1940
Rossouw	1	23	1602
Barkly East	1	956	1089
Lady Grey	1	782	2649
Sterkspruit	1	347	2823

TABLE: EMPLOYEE STATISTICS (LIBRARY)

EMPLOYEES: LIBRARIES					
Job Level	Year 2013/2014	Year 2014/2015			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3				-	-
4-6	1	2	2	-	-
7-9	4	4	4	-	-
10-12				-	-
13-15				-	-
16-18				-	-
19-25				-	-
Total	5	6	6	-	-
Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June 2014. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

FINANCIAL PERFORMANCE YEAR JUNE 2015: LIBRARIES					
Details	Year 2012/2013	Year 2013/2014 (TBA)			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1201	1315	1315	1202	91%
Expenditure					
Employees	713	903	903	909	101%
Repairs and Maintenance	7	18	8	0	0
Other	266	404	443	282	64%
Total Operational Expenditure	986	1325	1354	1191	
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

NOTE: There is no capital expenditure on Libraries.

Comments on Libraries

The service level agreement is signed by the municipality during July 2014 and this in turn is only then signed by DSRAC during November 2014. This situation has directly affected the services of libraries as it impacts on the transfer of funds and related operational ability.

3.11 CEMETERIES

Introduction to Cemeteries

This function requires that ongoing efforts are made to improve the manner in which cemeteries function and are maintained. Burials are required to be controlled within the framework of the Health Act and within the prescripts of community records and administration, while ensuring that there are sufficient sites. Maintenance involves grass cutting, cleaning and beautification of the sites.

2013/2014:

- Burial plots were provided to the community and reported on regularly;
- Cemetery maintenance was completed as scheduled and as required and reported on at least quarterly within in Standing Committee reports;
- EIA's were required to be conducted for 3 cemeteries in W10 (Sterkspruit), one in Ward 11 (Herschel) and one in Barkly East;
 - In Barkly East the process of SCM was completed and was awaiting the EIA (which was delayed by the scoping report). Ultimately this could not be completed as the identified site was found to affect ground water;
 - In Sterkspruit the availability of land was an issue and the budget was considered inadequate for all identified cemeteries. This would be required to be accommodated within the budget adjustment.

It must be noted that this target is dependent on EIA approval (three year project – MIG) and the EIA process is required to be completed prior to the establishment of these planned cemeteries.

- Pauper burials were conducted as required and in the manner required. In one instance JGDM buried an unknown body in Lady Grey and a burial plot was provided to the Department of Health for pauper burial; and no indigents were buried during this period in this manner.

2014/2015

- Programmes aimed at cleaning and clearing cemeteries were monitored and as required monthly and quarterly reporting occurred (submitted to the Standing Committee);
- Notwithstanding the fact that reporting did occur, it was felt that insufficient detail had been provided regarding progress on implementation of the maintenance programmes;
- The cost implications of fencing the cemeteries in Lady Grey and Sterkspruit were investigated, due to the fact that the cemetery fences are often vandalised. A decision was taken to conduct investigations regarding the type of fence that could be erected, which would be suited to minimalizing vandalism from the communities;
- The approval of an appropriate EIA was delayed due to objections from a neighbouring farmer. The municipality was then required to look for an alternative site;
- The municipality is in the process of extending the current cemetery in Barkly East;
- While burials are taking place within rural areas it must be noted that there are no current statistics available in this regard as no records have been sent to the municipality offices. While facilities have been developed for this purpose in rural areas, these are often not fully utilized and this is clearly an issue that must be addressed moving forward;
- No funding has existed in order to accommodate the electronic cemetery register and as such the information continues to be captured on an Excel spread sheet;
- Pauper burials were conducted in the appropriate manner during this period and one indigent was buried during this period; and
- Sterkspruit cemetery has reached its full capacity and as such the cemetery is no longer utilised. To date we have been unable to secure land for establishing burial plots to accommodate this situation.

Nature and Extent of Facilities Provided: Cemeteries

LOCATION	2013/2014	2014/2015
Barkley East (3 facilities)	141 burials	127 burials
Lady Grey (3 facilities)	71 burials	76 burials
Sterkspruit (Urban – 1 facility)	1 burial	No burials
Rhodes (2 facilities)	3 burials	9 burials

FINANCIAL PERFORMANCE YEAR 2014/2015: CEMETERIES AND CREMATORIUMS					
R'000					
Details	Year 2013/ 2014	Year 2014/2015 (To Be Confirmed- Confirmed by Finance)			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1107	1468	2618	932	-64%
Expenditure					
Employees					
Repairs and Maintenance		10	10	10	0%
Other	20	171	158	58	-63%
Total Operational Expenditure	20	181	168	68	-60%
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

CAPITAL EXPENDITURE YEAR JUNE 2013/14 CEMETERIES R'000					
Capital Projects	Year 2014/2015 (To Be Confirmed) confirmed by fin				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	1500	1267	932	335	
				0	
Senqu Cemeteries Phase 2	0	1100	734	366	
Fencing of Lady Grey Cemetery	700	67	66	1	
Rehabilitation of Cemetery Ward 3	400	50	88	-38	
Rehabilitation of Cemetery Ward 6 - Miami	400	50	44	6	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

Introduction to Childcare, Aged Care and Social Programmes

Special Programmes are undertaken by the Special Programmes Unit in order to provide assistance to those in need/those who have been disadvantaged in some way and in this manner to ensure a better quality of life for all.

- **Child care:** municipalities are required to inspect the facilities utilized in order to ensure that they meet the minimum requirements – thereby ensuring the child’s safety;
- **SPU projects:** projects such as World Aids Day and “16 days of activism against child and woman abuse” are required to be organised;
- Upliftment of children, youth, women, people with disabilities and the like are required to be undertaken; and
- HIV/Aids programmes and the like are required to be mainstreamed through effective planning and successful execution.

2013/2014

Despite challenges many positive interventions were held. These are reflected as follows:

- The development and implementation of the HIV/Aids Strategy was not entirely successful. During the third and fourth quarters regular implementation reporting did not occur as required (due to the illness of SPU coordinator). Notwithstanding a number of interventions did occur;
- The SPU Annual Activity Plan was developed and this was successfully implemented in a number of areas. Reporting did not always occur as planned;
- The required quarterly SPU structure meetings did not occur for all structures and was to achieve focus moving forward; and
- Activities planned and implemented during this period are included in the table below (2013/2014):

MEETINGS 2013/2014	DATE	ACTIVITY
WOMEN		
Women Economic Empowerment Meeting	30 July 2013	Preparation for Women's day celebrations
Women's Economic Empowerment plenary meeting	03 December 2013	Planning for the 16 Days of Activism programme
16 Days of Activism Celebrations	04 December 2013	Held in Barkly East and Lady Grey
Religious Parliament Raymond Mhlamba Chamber in Bisho.	August 2013	
Women's Economic Empowerment Committee	14 August 2014	Committee re-established and Women's month celebrations were held in Bunga Hall in Sterkspruit
The Women's Economic Empowerment Door to Door Campaign	08-30 March 2015	Preparation for the up-coming elections in May was conducted
Youth Council Meeting	7 August 2013	re-establishment of the Youth Council Structure and in order to plan for the up-coming Youth Festival Annual event;
Youth Meeting	18 November 2013	Khwezi Naledi Hall in Lady Grey (involving the sharing of information regarding challenges facing SA artists)
Youth Council meeting	29 August 2013	Preparation for Youth Festival
Audition Programme	24 August – 01 September 2013	Preparation for the Youth Festival
Youth Council meeting	7 September 2013	Preparation meeting
Senqu Youth Festival held	20 – 22 September 2013	Held annually at the Khwezi Naledi Community Hall in Lady Grey
Youth meeting	18 November 2013	A meeting for the youth was held
Youth Indaba	04 March 2014	Various stakeholders presented youth programmes. A Youth Indaba was held at Bensonvale - all sector departments and the municipality addressed the youth re-challenges and provided them with information on youth development opportunities

MEETING S 2013/2014	DATE	ACTIVITY
DISABLED		
The Local Structure for Disabled	05 November 2013	Re-established
Disabled and local council meetings	First week in November 2013	Meetings held
A Disabled Outreach Programme	25-28 November 2013	Held in order to establish Ward Forums and to establish structures for People Living with Disabilities;
A Disabled Structure Induction Workshop	29 November 2013	Workshop held for the newly formed Disabled Structure in the Lady Grey Town Hall;
A meeting of the Disabled Structure was held.	24 March 2014	At this meeting this structure revised its programme of action and its plan for the last quarter.
SPORTS		
Senqu Sport Committee Meeting	24-26 July 2013	The coaches were trained by Imvomvo NGO and Senqu Municipality in Naledi Village;
Meeting with Sport Federations	23 November 2013	A fun-run programme was held in Qhoboshane Village.
HIV/Aids		
Local Aids Council Meeting (LAC)	06 November 2013	Establish sub-committees (as prioritised in the Implementation Plan of Senqu Multi-Sectoral HIV & AIDS, STI & TB Strategic Plans
LAC Meeting	7 February	
LAC Induction Workshop	4 December 2013	
On WEE had a plenary meeting	3 December 2013	Held in Lady Grey and undertook door to door campaigns during the third quarter;
Local Aids Council Induction Workshop	04 December 2013	
The HIV/Aids Strategy was		Implemented and reports submitted to Council. School programme to educate children on teenage pregnancies, STI's, HIV/Aids, substance abuse; family planning and the termination pf pregnancy.
Local Aids Council Meeting	07 February 2014	Developing Integrated 2014 Implementation Plan.

The 2014/2015 period is reflected on as follows:

- The HIV/Aids Strategy was implemented and reported on monthly;
- It must be noted that the formal SPU Plan was not reviewed and submitted as was required. Notwithstanding all required reporting regarding SPU issues were submitted to the Standing Committee as per the SPU Activity Plan;
- All SPU structures meetings sat during the first quarter;
- During the second, third and fourth quarters the following structure meetings sat:
 - Disabled: 23 October 2014; 18 February 2015;
 - Youth: 26 November 2014; 14 January 2015; 27 February 2015
 - Women: 20 October 2014; 13 February 2015;
- It must be noted that during the fourth quarter, not all structures sat due to insufficient budget.
- HIV/AIDS
 - The LAC (Local Aids Council) meeting for Q1 was held 9 September 2014; This meeting covered: build up meetings for World Aids Day; HIV/Aids Counselling & Testing Outreach Programme; and The formation of Ward forums.
 - The LAC for Q2 was held 4 December 2014 as a DAC meeting (all four LAC's met at JGDM and reported on progress re-quarterly action plans);
 - The LAC for Q3 was held 27 January 2015; and
 - The LAC for Q4 was held 22 April 2015.
- Although the Youth Festival was postponed due to budget constraints it was held 24 – 27 April 2015.
- The table below details more extensively the meetings held within SPU and the attendance thereof:

MEETING	DATE	CLLRS	OFFICIALS	COMMUNITY MEMBERS
WOMEN				
Women Economic Empowerment Presentation Workshop with all government Departments for Economic Development	19 August 2014	05	14	42
Visit by Legislature Women Caucus for Establishment Of Women Caucus Structures	29-31 July 2014	21	01	ECPL = 02
SEDA Women in Business Meeting with Sequa SPU Office Herschel Community Hall	20 October 2014	12-	3	60
SPU District Women Empowerment Meeting	28 May 2015	-	3	36
District Women Economic Empowerment Meeting	13 February 2015		1	65
Data Base Collection of all WEE projects in Sequa	February 2015			

MEETING (CONT.)	DATE	CLLRS	OFFICIALS	COMMUNITY MEMBERS
YOUTH				
Sequa Youth Council Meeting	27 August 2014	-	1	4
Senqu Youth Council Meeting	26 November 2014	1	3	10
Senqu Youth Council Meeting	14 January 2015	2	3	15
Establishment of Ward Youth Forums	19-23 January 2015	0	3	249
Senqu Youth Council Meeting	27 February 2015	0	2	25
District Youth Council Task Team Planning Meeting in preparation of Mayoral Cup	17 March 2015	0	1	6
Capacity Building Workshop on Integrated Poverty Eradication by SALGA	15-16 October 2014	1	16	5
Audition Programme in Preparation for 2016 Youth Festival	26-28 September 2014	0	2	111
DISABLED				
District Based Support Team in Support for Disabled with DOE- Educational Opportunities for Disabled	23 October 2014			
District International Day for People with Disabilities Planning Meeting	4 February 2015		9	9
District International Day for Persons with Disabilities Event – Mount Fletcher	18 February 2015			
SPORTS				
Ricardo Pieterse Send Off to Brazil by DPSA and DSRAC	5 August 2014	-	10	
Welcome Back Function For Ricardo Pieterse from Brazil	27 August 2014			
Senqu Sports Meeting	20 October 2014	0	39	0
SALGA Municipal Games	3-7 December 2014	1	3	6
SALGA Games Review Session	2 March 2015			
Meeting with Sport Federations in preparation of Mayoral Cup	06 March 2015	2	5	62
Sequa Mayoral Tournament and Youth Festival	24-27 April 2015			

MEETING (CONT.)	DATE	CLLRS	OFFICIALS	COMMUNITY MEMBERS
HIV/Aids				
Visit to Lady Grey Home Based Care Organisation	18 August 2014	0	1	7
Visit to Sinobomi Home Based Care Organisation	23 September 2014	0	1	11
Local Aids Council Meeting	9 September 2014	1	1	17
Local Aids Council Meeting	27 January 2015	1	4	30
Local Aids Council Meeting	22 April 2015	2	5	29
HCT Door to Door Outreach-Rossouw with DOH and Love Life	30 September 2014	1	2	65
HCT Door to Door Outreach Ward 11 – Ntsimekweni, Khoba, Dibinkonzo, Orange, Ntatyeni and RDP with DOH, Donald Woods Foundation, DOE, Love Life and Social Development	22,23 & 25 September 2014	2	10	118
Visit to Thusanang HBC – Barkly East	20 March 2015	1	1	10
Condom Distribution – 3312 condoms were distributed within Lady Grey	May 2015			
District Aids Council Meeting	26 September 2014	2	10	0
16 Days of Activism and HIV/AIDS Planning Meeting	29 October 2014	10	17	0
16 Days of Activism Planning Meeting	3 November 2014	6	16	
16 Days of Activism Planning Meeting	19 November 2014	6	19	
16 Days of Activism Event – Macacuma Ward 7	4 December 2014	4	15	45

Overall Comments in respect of Social Programmes and Special Programmes

Progress has certainly been made during this period. Notwithstanding the achievements in SPU, it is felt that stronger /proactive management action would be advantageous in

improving and strengthening implementation with regard to the performance in the SPU Unit. In addition, the associated challenges and or possible non- performance must always be assessed to determine causes of not fully achieving these targets.

COMPONENT E: ENVIRONMENTAL PROTECTION

3. 13 LANDSCAPE (INCLUDING OPEN SPACES) AND OTHER

Introduction to Biodiversity; Landscape (including open spaces) and other

The overall objective of this function is to provide and maintain parks and open spaces, in order to create a pleasant environment for the communities. This would include the functions of:

- Pruning trees along municipal streets/sidewalks;
- Regular cutting of grass on sidewalks;
- Cleaning of open spaces; and
- Development and maintenance of parks.

Parks and Public Open Spaces

The objective of this function is to provide, maintain and beautify parks and public open spaces so as to ensure that an aesthetically pleasing environment is created for the community. In order to ensure that this occurs in a meaningful and structured manner, an Operational Plan for Cleaning was developed and implemented.

Overall it must be noted that this function was well-achieved (in both 2013/14 and 2014/2015). More specifically it is noted that:

- The Cleaning Operational Plan was developed and implemented. Ongoing maintenance occurs in accordance with the available budget and schedules, (in respect of grass cutting/mowing/ grading/ploughing and cleaning);
- Skip bins and refuse bins were placed in Sterkspruit and Herschel as part of the implementation of the Cleaning Operational Plan;
- During the fourth quarter, Cleaning and Waste Awareness campaigns were held in schools as part of the implementation of the Cleaning Operational Plan;
- Existing parks are maintained on a monthly basis and reports submitted timeously to Standing Committees as required;

- The development of a park in Barkly East was completed. This was unfortunately vandalized and was not able to be used. As a direct result, grass has been planted and it is being maintained on a monthly basis;
- Standard operating procedure manuals were developed for these functions; and
- The National Department of Environmental Affairs has plans to develop parks in Barkly East and Lady Grey (planned and funded). Delays in implementation have been experienced in the current financial year (delays in the approval of business plans).

COMPONENT F: HEALTH

3.14 HEALTH INSPECTION

Licencing (Business Trading)

The Licencing function is required in order to improve economic development within the community in both formal and informal businesses. Licencing also serves to regulate the trading activities of the licence holders.

Strategic Objectives:

- To analyse and understand the reporting from Joe Gqabi District Municipality and the Municipal Health Department regarding the inspection of business premises, in order to ensure that food is prepared in terms of the required health standards and legislative compliance;
- The promotion of the development of strategic sites within the municipality by marketing these to the developers;
- The formulation of an informal trading policy and using this to promote trading facilities as required; and
- The issuing of licenses and controlling the trading with the municipality.

Challenges

- The greatest challenge has related to the non-compliance of business premises with regulations – making it extremely difficult to licence. In an effort to resolve this, Joe Gqabi District Municipality is conducting regular follow-up inspections in order to ensure that premises do comply, so that the appropriate licences can be issued;
- During the current year a number of requests for business licenses were received. None were granted/issued as business premises were not compliant. Environmental

Health Practitioners continue to re-evaluate the premises so that compliance is achieved and so that licences can ultimately be issued;

- Street trading within Sterkspruit remains a challenge. In an effort to resolve this, the municipality has decided to create a position in the organogram for a Licensing and Regulations Compliance Officer, who will deal with the control of all licenses and regulation issues once this post is funded.

COMPONENT G: SECURITY AND SAFETY

3.15 INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING

Introduction to Disaster Management, Animal Licencing and Control, Control Of Public Nuisances

Within this area the functions of Disaster Management and Commonage Management and Pounds will be examined.

Disaster Management

The municipality does not have its own functional Disaster Management Unit it is the responsibility of the District Municipality. A Chief Fire Officer employed by the District and operates a fulltime fire service within the municipality bound by an extremely old and outdated SLA. The fire Service function is the function of the local municipality, the District is currently in a process of handing over the function to the Local Municipality.

The area of disaster management falls under the Community Services Director and meetings are held within the district are attended in order to strategize and discuss issues of concern and mutual benefit relating to this.

Commonage Management and Pounds

The main purpose of this function is to develop a Commonage Management Plan (for Lady Grey, Rhodes, Barkly East and Rossouw), to ensure the establishment of the appropriate committees and to ensure that stock control and management of pounds occurs in the correct manner. A Commonage Management Plan is still required to be developed in the new financial year (finances permitting).

During the 2013/2014 period it is noted that:

- Stray animals were impounded as and when they were caught and monthly reports detailing these statistics were submitted to the standing committee;
- Stock registers were required to be developed and maintained. Although these were developed and counting was completed as required, no reporting was submitted to the Standing Committee;
- Repairs of the commonage fence were done at Barkly East R58 road and the Lady Grey R58. This project is now complete;
- An animal pound was constructed in Barkly East (completed in Quarter 1) and in Lady Grey a contractor was appointed to construct an animal pound; and
- Lady Grey and Barkly East were noted as having problems with stock theft. It was noted that no stock registers was available to aid this process.

During the 2014/2015 period it is noted that:

- Stock registers were developed, maintained and updated quarterly. These were developed and stock counts were completed as required. Reporting was submitted to the Standing Committee monthly;
- The number of animals in the commonage was reduced by selling to an abattoir in Queenstown with the assistance of the municipality;
- The maintenance of the commonage fences and pound was carried out during the financial year in Lady Grey, Barkly East, Rossouw and Rhodes. Notwithstanding the progress made, the fencing was required to be re-done due to vandalism (theft of fencing) and the high numbers of strays on the R58;
- Stray animals were impounded as and when they were caught and monthly reports detailing these statistics were submitted to the standing committee;
- An information day was held at Barkly East on 28 August 2014 as part of an awareness campaign on over-grazing. The purpose was to address challenges faced by the municipality regarding the management of commonages. Information sharing occurred around taking care of livestock and veld management. The awareness campaign was not conducted during the second quarter (non-availability of stakeholders) and the last awareness campaign was conducted December 2014. The awareness campaign on Land Care was conducted in March.

Income derived from pound fees is reflected as follows

INCOME 2013/2014	INCOME 2014/2015
R 64 676	R 147 969

The overall objective of the pounds is to ensure that stray animals are removed from the roads and streets and are impounded. Pounds are to be established and maintained accordingly. Due to budget constraints, this service is provided at a very basic level.

Income for the pounds function is reflected as follows

FINANCIAL PERFORMANCE YEAR JUNE 2014: DISASTER MANAGEMENT , BY LAW IMPLEMENTATION (ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES) R546 879					
Details	Year 2013/2014	Year 2014/2015 (To Be Confirmed) Confirmed by Fin			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	74	26	26	167	542%
Expenditure					
Employees					
Repairs Maintenance	1	2	2	1	-50%
Other	14	71	66	19	-71%
Total Operational Expenditure	15	73	68	20	-71%
Net Operational Expenditure	59	-47	-42	147	-450%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5					

3. 16 POLICE

Introduction to Police

- The intention of this function was to create an environment for the reduction of crime, by establishing partnerships with the Department of Safety & Liaison;
- CPF's were referred to as Integrated Safety Forums (ISF's). Meetings were held regularly. The intention of these forums is to create an environment that facilitates the reduction of crime;
- Meetings were attended by the Community Services Director and /or her representative. A Safety Forum meeting was attended on the 25th June 2015;
- Additional meetings attended included: Health Forum Meetings and Education/ Social Development Cluster meetings; and
- Efforts are continuously made to liaise with the Safety & Liaison Officer in order to ensure that Senqu LM is represented as a stakeholder and is able to harness the required support from structures that are found within the established Forum Schedule Plan.

NOTE: While this involvement is not a formal target for reporting purposes, it is in the interests of the municipality to focus on ways to facilitate and improve the safety and security of the community.

COMPONENT H: SPORTS AND RECREATION (INCLUDES COMMUNITY HALLS, SPORTS FIELDS, SPORTS HALLS, STADIUMS, SWIMMING POOLS AND CAMP SITES)

3.17 INTRODUCTION TO SPORT AND RECREATION

The municipality is required to provide basic sport and recreation facilities within the entire municipal area.

The related top service delivery priorities are reflected as:

- The construction of two sports fields in Wards 2 and 13; and
- The upgrade of the Barkly East sports field;

Nature and extent of facilities provided:

LOCATION	FACILITIES
Barkly East	1 x Multipurpose field 1 x Soccer field
Lady Grey	1 x Multipurpose field 2 x soccer fields 1 x golf Course run by the Golf Club on a lease agreement
Sterkspruit	1 x multipurpose field renovated
Rhodes	1 x soccer field 1 x tennis court

During the 2014/2015 period the following progress was made:

- Aside from being delayed while waiting for a sitting of the adjudication committee, after appointing a service provider to construct 2 sports fields in Wards 2 and 13, this contract had to be re advertised as the contractor appointed could not cope with work and the contracts were terminated in terms of the General Conditions of Contract 2010;
- The Sterkspruit Phase 1 upgrade was completed at a total cost of R 3 568 656; and

- The upgrade of the Barkly East sports facility did not occur timeously despite the appointment of the contractors.

The 2014/2015 period addressed a number of challenges successfully. More specifically:

- All urban area sports fields were maintained in terms of the approved maintenance plan and reports were submitted as required to the standing committee; and
- The maintenance programme was implemented as planned in respect of general maintenance (grass cutting, mowing, grading, ploughing and cleaning). Inspections took place through physical inspections, evaluations and the completion of inspection reports.

Renovations of Barkly East Multipurpose field

- The renovations of the Barkly East Multipurpose field were successfully completed;
- The following two (2) sport fields were constructed with MIG funding:
 - Kwa Gcina; and
 - Naledi.

3.18 COMMUNITY HALLS

The table below details the use and accessibility of halls in the community.

LOCATION	FACILITIES
Barkly East (3 facilities)	Nkululeko Hall was renovated.
Lady Grey (3 facilities)	Kwezi Naledi Hall renovated.
Sterkspruit (Urban – 1 facility)	Facility in good condition.
Sterkspruit (rural areas – 16 facilities)	16 facilities.
Rossouw (1 facility)	Rossouw Hall renovated.
Rhodes (1 facility)	Facility in good condition.

There are 25 multipurpose centres (inclusive of rural areas). Notwithstanding the existence of facilities, many of these are not being utilized - such as child care facilities.

CAPITAL PROJECTS

CAPITAL EX REVENUE	AMOUNT 2014/2015
Capital: Community Halls	R 948 555

2013/2014

- A polisher was purchased for use in the cleaning of community halls;
- Construction of an indoor recreation community facility (hall) in Ward 3 was well achieved;
- The project to renovate Herschel indoor recreation community facility (hall) was completed;
- The renovation to the Rossouw Community Hall has been achieved; and
- The Phase 2 renovation of the indoor recreation community facility (Bhunga Hall for additional toilets) has progressed well- the service provider was acquired and the renovations were completed as required.

2014/2015

- During this period it must be noted that although renovations were intended for Transwilger Hall and Lady Grey Town Hall, this was not done due the delays in the supply chain management processes specifically the specifications of these two halls were sent back to the user department after it was noted by the committee that they were not correct;
- MIG projects for the renovating and upgrading of halls/facilities have been planned. Delays were experienced in terms of tender processes with the expectation that the projects would commence in the last quarter of the financial year;
- Halls are required to be cleaned and maintained as per the cleaning and maintenance schedule and reported monthly to the standing committee;
- Facilities within the rural areas are experiencing challenges when it comes to operation and maintenance due to the vast distance between these facilities and municipal offices;
- The construction of an Indoor Recreational Community Facility in ward 3 was completed and the target was successfully met;
- The construction of an Indoor Recreational Community Facility in wards 9, 12 and 18 were advertised for tender and these adverts had to be withdrawn from being advertised and re advertised again because they had some irregularities based on the contract that the projects were to be implemented under. This in turn would affect expenditure as they are supposed to be starting in January 2015;
- During the fourth quarter Contractors were appointed and approval of additional funding is awaited. Construction has not started, however in ward 18 construction progress is at 5.45%;
- During the first quarter the renovation of Transwilger Indoor Recreational Community Facility was delayed due to procurement issues; during the second quarter both the renovation of Transwilger Indoor Recreational Community Facility

and the renovation of Lady Grey Indoor Recreational Community Facility experienced difficulties. Both targets were not met due to the issues in the bill of quantities; and in the fourth quarter the tender was withdrawn as the Municipality still needed to appoint a service provider to assist. Funds were not sufficient for this project. This project will be moved to the next financial year.

COMPONENT I: MISCELLANEOUS

ICT

A Disaster Recovery Plan in respect of ICT is in place (approved by council on 28 February 2013). Back – ups are completed in terms of this and back up registers are provided in order to validate this.

During the current financial year, improved usage and management of ICT has been noted. More specifically, the downtime of the server is managed, monitored and reported on if this exceeds 3 hours and is related to hardware and software. It must be noted that this excludes downtime associated with electricity outages or any general server reboots. Quarterly reporting in respect of systems downtime (for emails and internet as a result of hardware or network failure) is reported to the Standing Committee. In addition, it must be noted that four (4) quarterly reports on IT Audit issues are presented to Standing Committees and management in order to ensure that any IT issues raised within the IT Audit are formally addressed and reported on.

Supply Chain Management

Within both financial years it is apparent that in as far as Supply Chain Management is concerned, steps have been taken to ensure compliance in all instances. Risk assessments on the Supply Chain Management system were concluded all periods of assessment.

Historically irregular expenditure has been experienced as a result of non-compliance with SCM regulations. This is regarded in a very serious light by the Municipality and has resulted in many and an ongoing efforts to strengthen the SCM's control environment in order to ensure that irregular expenditure is eliminated completely. Strict controls and the invitations for competitive bidding as per the Supply Chain Management Policy are undertaken. Additionally, the Sebata system now alerts one when a vote has insufficient funds.

Tender Committees are functioning well overall although it must be noted that not all the tenders are adjudicated within 3 months of advertisement. While the quarterly tender adjudication reports have been tabled as planned, timeframes are at times a challenge and the last quarter tender adjudication report was tabled with a variance to the time

frame. Efforts to manage the adjudication turnaround time and to manage reporting timeframes are required to be met. Reporting on contracts awarded has improved and the related targets for reporting on this have been met while acknowledging that variations in timeframe submissions have occurred. It is recognized overall that the supply chain function and its effectiveness is also dependent on the cooperation of other directorates and the quality of their reporting. Emphasis on improvement continues to be placed on the need to ensure that reporting remains of a high quality and is specific to providing valuable information regarding suppliers and related contracts. The newly appointed Supply Chain Manager, ongoing capacitation of staff and directorates regarding SCM prescriptions and greater cooperation between the supply chain section and other directorates, will undoubtedly facilitate more effective reporting and SCM practices and control moving forward.

Overall there is stricter adherence to the prescriptions of the Supply Chain Management Policy and every effort is made ongoing to continue to improve in this regard.

The following statistics are provided in respect of the Tender Committee functioning:

2013/2014	2014/2015
Tender Committee Meetings:	Tender Committee Meetings:
Evaluation Committee: 10	Evaluation Committee: 10
Adjudication Committee: 5	Adjudication Committee: 4
Total Number of tenders considered: 68	Total Number of tenders considered: 68
Total number of tenders approved: 53	Total number of tenders approved: 84
Average turnaround time from advert to award: +/- 2 months	Average turnaround time from advert to award: +/- 2 months

MEMBERS OF THE ADJUDICATION COMMITTEE

NAME	OCCUPATION/DEPARTMENT
C.R. Venter	Chief Financial Officer (Chairperson)
R.N. Crozier	Director: Technical & Engineering Services
L Gologolo	Director: Community & Social Services
T.E.Wonga	Director: Corporate & Support Services
P Bushula	Director: IPME
N.C. Sbukwana	SCM Practitioner/Secretary

MEMBERS OF THE SPECIFICATIONS AND EVALUATION COMMITTEE

NAME	OCCUPATION
N Smith	Manager: SCM & Creditors
AK Fourie	Manager: BTO
J Lynch	Manager: Revenue
D Oertel	IT/GIS Administrator
B Viedge	Manager: IPED
M Theron	Manager: Communications
X Mninzelwa	Manager: Governance & Compliance
U Sobudula	Manager: Waste Management
P Oliphant	COO
N Nkopane	Manager: PMU
T van Rensburg	Senior Superintendent (Roads)
T Tobben	Senior Superintendent (Electrical)
T van Zyl	Manager: HR & LRO

MUNICIPAL INFRASTRUCTURE/CAPITAL PROJECTS AND SERVICE PROVIDER PERFORMANCE REPORT

Section 76(b) of the MSA requires that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement:

- Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- A Comparison of the performance with targets set for and performances in the previous financial year; and

- Measures taken to improve performance.

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To effectively manage the adherence of traffic rules within the municipality	TRAFFIC - BSD01	Registration and Licensing of Vehicles	2013/2014 Reports	Monthly 2014/2015 statistical reports on Registration and Licensing of Vehicles	Updated E Natis System / Face values	Number of monthly reports on registered and licensed vehicles	Increased number of legally compliant registered vehicles	CFO
		Testing for Learners and Drivers Licences	2013/2014 Reports	2014/2015 monthly statistical reports on Learners and Drivers Licenses	Registered Traffic Officers / E Natis / Face Values	Number of monthly reports on Registered and Licensed Vehicles	Increased numbers of legally registered drivers within the municipality	
		Roadworthy Testing of Vehicles in Barkly East	2013/2014 Reports	2014/2015 monthly statistical reports on Roadworthy Testing of vehicles	Certified Testing Station / E Natis / Face Value	Number of monthly Reports on Roadworthy Testing of Vehicles	Improved number of roadworthy vehicles	
To maintain and upgrade existing access roads and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	Number of km's of municipal access roads resurfaced, potholes repaired and bladed	Maintenance backlogs are once every 4 years currently	220 km (If maintenance only) and 18 km if construction / rehabilitation (R76 800)	Plant ,Staff & maintenance budget	Number of kilometres of roads maintained only, and number of kilometres if rehabilitation / construction is required.	Extended life of access roads within the Senqu Municipality	Director of Technical Services
		Number of km's of stormwater drainage maintained	Continuous blocking	200 km	Plant and staff & maintenance budget	Number of kilometres of stormwater drainage maintained	Extended life of access roads within the Senqu Municipality	
		Construction of access roads in wards 7, 8, 9 & 12 (Ph 4b)	Construction complete- Retention only	Construction of 12 km of gravel access roads	Capital budget: R 428 676	Kilometres constructed of gravel road	Improved access to services via road infrastructure	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To maintain and upgrade existing access roads and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	Construction of access roads in wards 7, 8, 9 & 12 (Ph 4c)	Under construction	Construction of 12 km of gravel access roads	Capital budget: R 2 730 621	Kilometres constructed of gravel road	Improved access to services via road infrastructure	Director of Technical Services
		Construction of access roads in ward 3	Backlog of over 570 km	Construction of 4 km of gravel access roads	Capital budget: R 166 250	Kilometres constructed of gravel road	Improved access to services via road infrastructure	
		Construction of access roads in ward 4	Backlog of over 570 km	Construction of 4 km of gravel access roads	Capital budget: R 117 650	Number of km's constructed of gravel road	Improved access to services via road infrastructure	
To maintain and upgrade existing access roads and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	Construction of roads in ward 19 (Ph 1)	Construction complete- Retention only	Construction of 4 km of interlock paved roads	Capital budget: R 490 000	Number of kilometres constructed of interlock paved roads	Improved access to services via road infrastructure	
		Construction of roads in ward 19 (Ph 2)	Under construction	Construction of 2.5 km of interlock paved roads	Capital Budget: R752 152	Number of kilometres constructed of interlock paved roads	Improved access to services via road infrastructure	
		Construction of roads in ward 16 (Ph 1)	Under construction	Construction of 3.5 km of interlocked roads	Capital budget: R 2 140 364	Number of km's constructed of gravel road	Improved access to services via road infrastructure	
		Construction of roads in ward 16 (Ph 2)	Under construction	Construction of 3.5 km of interlocked roads	Capital Budget: R 1 820 228	Number of km's constructed of gravel road	Improved access to services via road infrastructure	
		Construction of access roads in ward 1	Backlog of over 570 km	Construction of 4 km of gravel roads	Capital budget: R 604 978	Number of km's constructed of gravel road	Improved access to services via road infrastructure	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To maintain and upgrade existing access roads and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	Construction of a bridge in Upper Bebeza (Ward 5)	No infrastructure	1 Bridge Constructed	Capital Budget: R 324,335 MIG	Bridge Constructed	Improved access to services	Director of Technical Services
		Construction of a Box Culvert River Crossing at Hohobeng (Ward 3)	No infrastructure	1 Box Culvert River Crossing Constructed	Capital Budget: R 1 461 930	Box Culvert Constructed	Improved access to services	
		Construction of a pedestrian crossing at Boomplaas (Ward 4)	No infrastructure	1 Pedestrian Crossing Constructed	Capital Budget :R 1,430 280	Pedestrian Crossing Constructed	Improved access to services	
To provide and maintain community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	Construction of an Indoor Recreational Community Facility in ward 3	Under construction	1 Indoor Recreation Community Facility constructed in ward 3	Capital budget: R 170 000	Construction of facility complete	Improved Ward Consultation in the Municipality	Director of Technical Services
		Construction of an Indoor Recreational Community Facility in ward 9	New Indicator	1 Indoor Recreation Community Facility constructed in ward 9	Capital budget: R 720 000	Construction of facility complete	Improved Ward Consultation in the Municipality	
		Construction of an Indoor Recreational Community Facility in ward 12	New Indicator	1 Indoor Recreation Community Facility constructed in ward 12	Capital budget: R 720 000	Construction of facility complete	Improved Ward Consultation in the Municipality	
		Construction of an Indoor Recreational Community Facility in ward 18	New Indicator	2 Indoor Recreation Community Facility constructed in ward 18	Capital budget: R 727 000	Construction of facility complete	Improved Ward Consultation in the Municipality	
		Renovate Transwilger Indoor Recreational Community Facility	New Indicator	Transwilger Indoor Recreation Community Facility renovated	Maintenance budget: R 500 000	Renovate facility	Ensure asset lifespan	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To provide and maintain community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	Renovate Lady Grey Indoor Recreational Community Facility	New Indicator	Lady Grey Indoor Recreation Community Facility renovated	Maintenance budget: R 750 000	Renovate facility	Ensure asset lifespan	Director of Technical Services
To maintain and effectively monitor cemeteries	CEMETRIES AND PAUPER BURIAL- BSD04	Number of Burial Plots provided	2013/2014 Reports	12 Monthly Reports on burial plots provided	Director Community/ Manager Community Services	Number of reports on burial plots compiled	Improved Burial of communities	Director Community Services
		Development of a cemetery in Ward 3 & 2 (Qhoboshane)	Existing cemetery flooding & eroding	2 Cemeteries developed in Ward 3	Capital Budget R 50,000	Cemeteries developed	Improved Burial of communities	Director of Technical Services
		Development of a cemetery in Ward 3 (Musong)	Existing cemetery flooding & eroding	2 Cemetery developed in Ward 3	Capital Budget R50,000	Cemeteries developed	Improved Burial of communities	
		Development of a cemetery in Ward 6	Existing cemetery flooding & eroding	1 Cemetery developed in Ward 6	Capital Budget R50,000	Cemeteries developed	Improved Burial of communities	
		Development of a cemetery in Ward 10	Existing cemetery flooding & eroding	1 Cemetery developed in Ward 10	Capital Budget: R 150,000	Cemeteries developed	Improved Burial of communities	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To maintain and effectively monitor cemeteries	CEMETRIES AND PAUPER BURIAL- BSD04	Development of a cemetery in Ward 11	Existing cemetery flooding & eroding	1 Cemetery developed in Ward 11	Capital Budget: R 150,000	Cemeteries developed	Improved Burial of communities	Director of Technical Services
		Number of cemeteries maintained	Infrastructure in need of replacement	Fencing of Lady Grey Cemetery	Capital budget: R 700,000	Maintained cemeteries	Improved Burial of communities	
		Number of cemeteries maintained	Infrastructure in need of replacement	Fencing of Sterkspruit Cemetery	Capital budget: R 500,000	Maintained cemeteries	Improved Burial of communities	
To maintain and effectively monitor Cemeteries	CEMETRIES AND PAUPER BURIAL- BSD04	Extension of cemetery in Barkly East	Infrastructure in need of replacement	Extension of cemetery	R 300,000	Cemetery size increased	Improved Burial of communities	Director Technical Services
		Five Rural Cemeteries	New Infrastructure	New cemeteries	1 100 000 (Part of R 29 M)	Cemeteries developed	Improved Burial of communities	
		Five Rural Cemeteries	Under construction	New cemeteries- Retention R 45 736	Retention R 45 736	Construction as per project plan	Improved Burial of communities	
		Fencing of old cemeteries Lady Grey	New Indicator	Lady Grey Cemetery fenced by 30 June 2015	Director Community/ Manager Community Services (R 700 000.00)	Degree of cemetery fencing concluded in terms of plan	A secured and demarcated burial location	Director Community Services
		Fencing of old cemeteries Sterkspruit	New Indicator	Sterkspruit Cemetery fenced by 30 June 2015	Director Community/ Manager Community Services (R 500 000.00)	Degree of cemetery fencing concluded in terms of plan	A secured and demarcated burial location	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To maintain and effectively monitor Cemeteries	CEMETRIES AND PAUPER BURIAL- BSDo4	Number of cemeteries maintained	2013/2014 Reports	Number of cemeteries maintained as per plan.	Director Community/ Manager Community Services (R 3772.80)	Cemetery maintenance completed	Improved Burial of communities	Director Community Services
		Burial of individuals certified as paupers in terms of the municipal policy	2013/2014 Reports	12 Reports on the burial of paupers	Director Community/ Manager Community Services (R 7141.61)	Number of pauper burials carried out in a month	Dignified burial of the indigent	Director Community Services
To maintain and develop sports facilities	SPORTS BSDo5	Phase 2 development of the Sterkspruit Sportsfield	Under construction	Sterkspruit Sportsfield lighting	Capital budget: R 3 709 110	Sterkspruit sports facilities developed and upgraded	Improved Community participation in Sports activities	Director Technical Services
		Development of the Barkly East Sportsfield	Under construction	Barkly East Sportsfield constructed	Capital Budget: R8 241 000	Barkly East sports facilities developed and upgraded	Improved Community participation in Sports activities	
To provide reading and study material	LIBRARIES – BSDo6	Signing of the SLA with DSRAC	2013/2014 SLA	SLA Signed between 2 parties	Director Community/ Manager Community Services	Compliance with the SLA	Improved literacy levels within the Senqu Communities	Director Community Services

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To provide and maintain parks and open spaces creating a pleasant environment for communities	PARKS AND PUBLIC OPEN SPACES - BSDo7	Number of parks and open spaces developed (project funded and implemented by National Department of Environmental Affairs)	2013/2014 Reports	Developed Parks in Lady Grey and Barkly East	Director Community/ Manager Community Services (R5.5 million)	Developed Parks	Improved Community Leisure within the Barkly East and Lady Grey area	Director Community Services
		Number of parks and open spaces maintained	2013/2014 Reports	Number of parks and open spaces maintained	Director Community/ Manager Community Services	Parks maintained	Improved Community Leisure within the Barkly East area	
		Implementation of the cleaning operational plan	2013/2014 Reports	12 Reports on the implementation of the Cleaning Operational Plan	Director Community/ Manager Community Services (R80 000)	Cleaning operational plan effectively implemented	Improved and Clean face of the Municipal Area	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To manage commonages and control stray animals within Senqu Municipality	COMMONAGES AND ANIMAL CONTROL - BSD08	Maintain and Repair fencing in commonages	2013/2014 Reports	4 Reports on the maintenance of fences in commonages	Director Community/ Manager Community Services	Fencing repaired	Improved management of animals	Director Community Services
		Updating of Stock Register	2013/2014 Reports	Stock Register updated for all pounds	Director Community/ Manager Community Services	Updated register and reports regarding this compiled	Improved management of animals	
		Control Stray Animals	2013/2014 Reports	12 Reports on the control of Stray Animals	Director Community/ Manager Community Services	Number of Stray Animals impounded	Improved management of animals	
		Conduct awareness campaigns on overgrazing	2013/2014 Reports	4 Awareness Campaigns Held	Director Community/ Manager Community Services	Number of awareness conducted	Improved management of animals	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To provide efficient and economical refuse collection and recycling services	WASTE MANAGEMENT - BSD09	Daily Cleaning of 6 Towns	2013/2014 Reports	12 Reports on the Cleaning of 6 Towns	Director Community/ Manager Community Services	Number of reports compiled	Healthier and Clean living conditions	Director Community Services
		Development of Solid Waste Site in Ward 10 - Sterkspruit	New Indicator	1 Waste Site Developed in Ward 10 (Target may vary due to EIA objections)	Capital budget: R 150 000	Waste Site Developed	Improved Management of Waste Material	Director Technical Services
		Development of Solid Waste Site in Ward 11- Herschel	New Indicator	1 Waste Site Developed in Ward 11 (Target may vary due to EIA objections)	Capital budget: R 50 000	Waste Site Developed	Improved Management of Waste Material	
		Development of Solid Waste Site in Ward 15- Rossouw	New Indicator	1 Waste Site Developed in Ward 15	Capital budget: R 50 000	Waste Site Developed	Improved Management of Waste Material	
		Development of Solid Waste Site in Ward 16- Rhodes	New Indicator	1 Waste Site Developed in Ward 16 ((Target may vary due to EIA objections)	Capital budget: R 50 000	Waste Site Developed	Improved Management of Waste Material	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To provide efficient and economical refuse collection and recycling services	WASTE MANAGEMENT - BSD09	Number of households with basic waste collection	2013/2014 Reports	12 Monthly reports on the collection of waste	Director Community/ Manager Community Services	Waste collected in all areas	Healthier and Clean living conditions	Director Community Services
		Review and Approval of integrated waste management plan by the Provincial Department of Environmental Affairs	2013 Approved IWMP	Reviewed and Approved IWMP	Director Community/ Manager Community Services	Reviewed IWMP and approval	Approved Waste Management Plan	
To provide economical and appropriate services for the poor	FREE BASIC SERVICES BSD10	Updating of the Indigent Register	2013/2014 Register	Update the Annual Register	Director Community/Manager Community Services/Director Technical Services/ CFO	Approved and updated indigent register	Equal delivery of service to the community of Senqu Municipality	CFO
		Number of indigent households with access to free basic electricity	12000 H/H	4 Quarterly Reports on the number of indigent people receiving free basic electricity (Minimum of 12 000 to receive FBE)	Director Community/Manager Community Services/Director Technical Services/ CFO	Number of indigent people approved for free basic electricity	Equal delivery of service to the community of Senqu Municipality	Director Technical Services
		Number of indigent households with access to alternative energy	118 H/H	4 Reports on the number of indigent people receiving free access to alternative energy. (Minimum of 118 to receive FBAE)	Director Community/Manager Community Services/Director Technical Services/ CFO	Number of indigent people approved for free basic alternative energy	Equal delivery of service to the community of Senqu Municipality	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To provide economical and appropriate services for the poor	FREE BASIC SERVICES BSD10	Number of indigent households with access to free refuse removal services	2013/2014 Reports	4 Quarterly reports on the number of people receiving free refuse removal services	Director Community/Manager Community Services/Director Technical Services/CFO	Number of indigent people approved for free refuse removal	Equal delivery of service to the community of Senqu Municipality	Director Community Services
To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	Construction of MV line in Sterkspruit (Zwelitsha)	Insufficient supply capacity and safety hazard	3000 m of MV line constructed	Plant, Staff & capital budget R 800 000	Number of meters of new MV line constructed	Increase consumer basis for increased revenue	Director Technical Services
		Construction of LV line in Sterkspruit (Zwelitsha)	Insufficient supply capacity and safety hazard	1300 m of LV line constructed	Plant and staff & capital budget R 550 000	Number of meters of LV network line upgraded	Stability and safety of electricity within the Senqu Municipality	
		Maintenance of electrical networks (MV & LV)	Network stability	Ongoing maintenance and repair of breakdowns.	Plant and staff and maintenance budget	Minimise electrical outages	Electrical power supply stability	
		Replacement of electrical meters	Outdated electrical metering	Installation of 435 electrical meters	Capital budget: R 1 000 000	Updated metering technology	Reduction of electricity losses	
		Electrification of Community Hall Blue Gums	No electricity installed	Ensure electrical connection from Eskom and hall are wired	Capital budget	Community hall electrified	Usable community facility	
		Electrification of Community Hall Hillside	No electricity installed	Ensure electrical connection from Eskom and hall are wired	Capital budget	Community hall electrified	Usable community facility	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	Electrification of Community Hall Phelandaba	No electricity installed	Ensure electrical connection from Eskom and hall are wired	Capital budget	Community hall electrified	Usable community facility	Director Technical Services
		Electrification of Community Hall Tienbank	No electricity installed	Ensure electrical connection from Eskom and hall are wired	Capital budget	Community hall electrified	Usable community facility	
		Sterkspruit Street Lighting	Insufficient and unreliable street lighting	Replacement of 60 street light fittings	Capital budget: R 600 000	Reliable and energy efficient lighting	Electrical usage savings and community safety	
		Barkly East Street Lighting	No street lighting	Installation of 140 street light fittings and infrastructure	Capital budget: R 500 000	Reliable and energy efficient lighting	Electrical usage savings and community safety	
		Street Lighting Maintenance	Street Lighting efficiency	Ongoing maintenance and repair of breakdowns.	Operational budget	Continuous lighting security	Community safety	
		Installation of SWH	No indigent water heating or electricity reduction measures	SWH Application done - Dependent on DoE investigation	No budget	Hot water available	Cleanliness & health & electricity savings	
To provide adequate office space for staff	OFFICE SPACE BDS12	Office Space (Finance/Corporate)	Under construction	Offices for Finance and Corporate Services Constructed	Capital budget: R 8 535 000	Offices Constructed	Improved working environment for staff members	
		Renovate 2nd Floor (Old Age Home)	New Indicator	Renovation of Second Floor Offices (Technical Services)	Capital budget: R 300 000	Technical Services Offices Renovated	Improved working environment for staff members	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 2: LOCAL ECONOMIC DEVELOPMENT								
Making the municipal area more attractive to investors, tourists and individuals	TOURISM LEDo1	Market Senqu Municipal area as a tourist destination	Brochures were printed in 2013/14	Teardrop banners for all CTO's, brochures for CTO's, DVD and CTO attendance of tourism shows	Director IPME/Manager IPED	Number of printed brochures and tear drop banners for CTO's, development of a DVD and number of CTO attendance of tourism shows.	Well marketed municipal area	Director IPME
To increase the number and length of stay of foreign and domestic tourists in Senqu municipal area by 2017		Strengthen and capacitate LTO and CTO's	2013/2014 Reports	Procurement of items for CTO administration & 4 LTO meetings	Director IPME/Manager IPED	Procured items for CTO administration & number of LTO meetings held.	Improved integrated planning in tourism	
		Conduct community tourism awareness	2013/2014 Annual Schools Competition	2014/2015 Schools Competition & Festival held as scheduled.	Director IPME/Manager IPED	Number of Festivals & school competitions held as per plan	Improved knowledge about Senqu Tourism	
		Develop and improve tourism infrastructure	Signage in 2013 & 14	Improvements of facilities at BE & Rhodes caravan parks as per plan.	Director IPME/Manager IPED	Degree of improvement (as per plan) of facilities at BE & Rhodes caravan parks	Increased usage of the caravan parks	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 2: LOCAL ECONOMIC DEVELOPMENT								
To increase the number and length of stay of foreign and domestic tourists in Senqu municipal area by 2017	TOURISM LEDo1	Promote existing events and introduce new events	Support of Stoepsitfees, & Passion Play	Support provision of SA skiing champs, Rhodes Stoep sit fees, Passion Play, Lammergeyer & Dirty Duoathlon	Director IPME/Manager IPED	Number supportive events attended as scheduled.	Improved local products marketing	Director IPME
Create an conducive environment for existing, new and start-up business	LED o2	Implementation of the LED strategy plan	New Indicator	LED Strategy aligned	Director IPME/Manager IPED	Aligned Strategy	Coordinated LED Programmes	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 2: LOCAL ECONOMIC DEVELOPMENT								
Support income generating activities for the poor	LED 02	Number of LED intergovernmental platforms convened	4 Economic Development Forum meetings were held	4 Meetings Held per LED structure	Director IPME/Manager IPED	Number of meetings held	Integrated Approach on LED	Director IPME
		No of work opportunities created through EPWP (Infrastructure)	Average of 35/month	Average of 30/month but dependent on tenders and project nature	Director Technical Services	Number of jobs created	Improved socio economic conditions of the poor	Director Technical Services
		No of work opportunities created through CWP	2000 jobs created from 2013/2014	2000 jobs created	Director IPME/Manager IPED	Number of jobs created	Improved socio economic conditions of the poor	Director IPME
		No of jobs created through Job Creation Project	266/month	10 SMME's supported	Director IPME/Manager IPED/R500 000	Number of SMME's supported	Improved socio economic conditions of the poor	Director Technical Services
		Assistance for SMME's	New Indicator	Small Town development Plan for Sterkspruit	Director IPME/Manager IPED	Development of Small Town Development Plan for Sterkspruit	Socio-Economic growth of the municipal area	Director IPME
		Develop a small town development plan for Sterkspruit	New Indicator	Projects packaged and submitted for funding	Director IPME/Manager IPED	Number of projects submitted for funding by external funders	Improved participation of SMMEs in the economy of the municipal area	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 2: LOCAL ECONOMIC DEVELOPMENT								
Support income generating activities for the poor	LED 02	Package projects for funding by external funders	30 projects submitted for funding	4 Quarterly reports	Director IPME/Manager IPED	Number of reports prepared	Improved the agricultural state of the municipality	Director IPME
		Monitor the Alien Vegetation Grant funding	New Indicator	4 Quarterly Reports	Director IPME/Manager IPED	Number of reports prepared	Improved the agricultural state of the municipality	
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMVo1	Monitoring of the Implementation of departmental demand management plans	2013/2014 Implementation Report	4 Quarterly Departmental Demand Management Plan Status Reports	Departmental Demand Plans	Quarterly Reporting on the monitoring of Demand Plans	Improved Expenditure of Municipal Budgets and Control	CFO
		Establishment of the Contract Register for above R200 000 tenders and monitoring of those contracts	2013/2014 Implementation Report	Contract Registers established for tenders above R200 000 and 4 quarterly monitoring reports	Number of SLA's / contracts from Departments	Monthly Monitoring Reports	Improved Management of Supply Chain Processes and contracts	
		Number of tenders adjudicated within 3 months of advertisement	2013/2014 Adjudication Report	4 Quarterly Reports on adjudicated tenders	Evaluation Report	Number of Adjudication Reports	Improved Management of Supply Chain Processes	
		Purchase of LDV (ROADS)	Insufficient vehicles	Purchase LDV	Capital budget:R 300 000	Purchase of LDV	Ensure road lifespan is achieved	Director Technical Services

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	Purchase of transportable accommodation and associated facilities	No accommodation for plant operators	Purchase transportable accommodation units	Capital budget: R 640 000	Purchase of units	Accommodation of operators resulting in increased productivity	Director Technical Services
		Purchase of LDV (PMU)	Insufficient vehicles	Purchase 1 LDV	Capital budget: R 421 230.77	Sufficient transport	Infrastructure quality	
		Purchase of vehicle	Unreliable vehicle	Purchase of 1 LDV	Capital budget: R470 000	Reliable transport	Electrical power supply stability	
		Purchase of Cherry Picker	Unreliable vehicles	Purchase of 1 Cherry Picker	Capital budget: R 1 200 000	Reliable transport	Electrical power supply stability	
		Purchase of generator for cherry pickers	Replacement of U/S equipment	Purchase of 2 generators	Capital budget: R 10 000	Replacement of existing equipment	Staff safety	
		Purchase of LDV canopy	No canopy	Purchase of 1 LDV canopy	Capital budget: R 15 000	Purchase of canopy	Staff safety & health	
		Purchase a Tractor for Barkly East	New Indicator	1 Tractor purchased by 31 December 2014	Director Community/ Manager Community Services (R 350 000)	Improved management of waste section	Enhanced Machinery to better service delivery	Director Community Services
		Purchase a Trailer	New Indicator	1 Trailer purchased by 31 December 2014	Director Community/ Manager Community Services (R 150 000)	Improved management of waste section	Enhanced Machinery to better service delivery	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	Purchase of vehicle	BMW X5	Purchase of 1 Vehicle	Capital budget: 732 531 32	Reliable transport	Enhanced vehicle to better service delivery	MM/COO
		Purchase of vehicle	New Indicator	Purchase of 1 Vehicle	Capital budget: 600 000	Reliable transport	Enhanced Machinery to better service delivery	
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	Purchase of 20 weed eaters and 5 leaf blowers	New Indicator	20 weed eaters and 5 leaf blowers purchased by 31 December 2014	Director Community/ Manager Community Services (R 220 000.00)	Improved appearance of sidewalks and open spaces	Enhanced Machinery to better service delivery	Director Community Services
		Purchase of 1 Light Delivery Vehicle and 1 Double Cab for Community Services	New Indicator	1 LDV and 1 Double Cab purchased by 31 December 2014	Director Community/ Manager Community Services (R 600 000)	Improved management of waste section	Enhanced Machinery to better service delivery	
		Purchase of 1 SUV Vehicle for IPME	New Indicator	1 SUV purchased by 31 December 2014	Director IPME/Manager Communications (R 359 118.11)	Improved operational efficiency facilitated by purchase	Enhanced vehicles to improve service delivery	IPME
		Purchase of 1 Light Delivery Vehicle for IPME	New Indicator	1 LDV purchased by 31 December 2014	Director IPME/Manager IDP (R 209 872.21)	Improved operational efficiency facilitated by purchase	Enhanced vehicles to improve service delivery	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	Purchase of 1 Photocopy Machine	New Indicator	1 Photocopy Machine Purchased	Director IPME/Manager Communications (R 250 000)	Improved operational efficiency facilitated by purchase	Enhanced office equipment in order to improve service delivery	IPME
		Purchase of 19 Notice Boards	New Indicator	19 Notice Boards Purchased	Director IPME/Manager Communications (R 200 000)	Improved communication with communities	Enhanced information sharing with stakeholders	
		Purchase of 1 Light Delivery Vehicle for Corporate Services	New Indicator	1 LDV purchased by 31 December 2014	Director Corporate Services/Manager Administration (R 300 000)	Improved Council Support and delivery services	Enhanced service delivery through improved delivery mechanisms.	Director Corporate Services
		Purchase of equipment	Insufficient equipment	Purchase equipment (Administration: Tech)	Capital budget	Equipment purchased	Improved service delivery	Director Technical Services
		Purchase of furniture	Insufficient furniture	Purchase furniture (Housing)	Capital budget	Furniture purchased	Improved service delivery	
		Purchase of vehicle (Town Planning)	Unreliable vehicle	Purchase of 1 LDV	Capital budget	Reliable transport	Increased service delivery	
		Install vehicle tracking system for all municipal vehicles	No tracking system	Installation of vehicle tracking in most vehicles	Maintenance budget	Tracking installed	Fleet security and overall increased production with reduced costs	
		Purchase of Furniture	Insufficient furniture	Furniture purchased (New Finance Office's & Executive Offices)	R770 000 00	Furniture purchased	Enhanced office equipment in order to improve service delivery	COO

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	Purchase of IT Cabling equipment and switches	New Indicator	IT Cabling equipment purchased	R822 000. 00	IT Cabling Equipment purchased	Enhanced office equipment in order to improve service delivery	CFO
		Purchase of a vehicle for traffic section	New Indicator	Vehicle for Traffic purchased	Capital budget 193300	Reliable transport	Enhanced vehicles to improve service delivery	
		Purchase of land for parking	New Indicator	Parking land purchased	Capital budget : R400 000.00	Parking land purchased	Secured parking for staff	
maintain all municipal assets according to MFMA regulations and good assets management	ASSET MANAGEMENT- MFMV02	Monitoring of Municipal Assets per Department	2013/2014 Monitoring Reports	4 Quarterly Reports on Additions and 1 Annual Report on Disposal	Additions Register	Number of quarterly reports on Additions and on Disposals	Improved management of municipal assets	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	FINANCIAL MANAGEMENT - MFMV03	Reporting of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	New Indicator	Quarterly Reporting of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	All Directors	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	Improved management of municipal finances	CFO
		Compilation and submission of Legislatively Compliant AFS	2012/2013 AFS	Compilation of 2013/2014 AFS by 31 August 2014	Rooo/ All Directors	Legislatively compliant AFS	Improved reporting on public funds	
		Review of adopted financial policies annually	2013/2014 Reviewed policies	Reviewed Financial Policies	All Directors	Legislatively compliant policies	Improved management of public funds	
		% of operational budget actually spent	2013/2014 Operational Budget Actually Spent	Report on 100% Expenditure of the Operational Budget	Rooo/ Financial System/ All Directors	Monitoring and Implementation of the budget	Improved management of public funds and delivery of services	
		% Capital budget actually spent	2013/2014 Capital Budget Actually Spent	Report on 100% Expenditure of the Capital Budget	Rooo/ Financial System/ All Directors	Monitoring and Implementation of the budget	Improved management of public funds and delivery of services	
		% of Conditional grants received actually spent	2013/2014 Conditional Grants Actually Spent	Report 100% Expenditure on Conditional grants received	Rooo/ Financial System/ All Directors	Monitoring and Implementation of the budget	Improved management of public funds and delivery of services	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	FINANCIAL MANAGEMENT - MFMVo3	Correct billing of consumers	2013/2014 verified actual correct billing reported	100% Correct billing of consumers with a 2% variance factor	R 0000 /Financial System/	Number of consumers correctly billed	Improved Revenue collection and management of municipal financial resources	CFO
		Actual revenue collected	2013/2014 Total Revenue collected	4 Quarterly Reports on the Collected Revenue	Financial System	Total Planned Revenue collected	Improved Revenue collection and management of municipal financial resources	
		Financial viability as expressed by the ratios in the gazette.	New Indicator	1 Annual Report on the Ratios	Financial System /All Directors	Report on Ratios	Improved management of municipal financial and other resources	
To ensure good payroll management and implementation	PAYROLL - MFMVo4	Management of Payment of Salaries	2013/2014 Payroll Reports	12 Reports on All salaries paid monthly	Financial System / Payroll amendment reports	Report on the payment of salaries	Improved management of municipal financial	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
To provide a credible budget	BUDGET COMPILATION - MFMVo5	Compilation of the Annual budget 2015/2016	2014/2015	2015/2016 MFMA Compliant budget by 31 May 2015	Financial System/ All Directors /Dora / Legislative Directives /Rooo	MFMA Compliant budget	Improved Municipal Financial Planning	CFO
		Adjustment budget by 28 February 2015	2013/2014	MFMA Compliant 2014/2015 Adjustment budget	Financial System/ All Directors / Legislative Directives	MFMA Compliant adjusted budget	Improved Municipal Financial Planning	
To ensure that reporting is consistent with what is actually happening in the municipality and enhance financial monitoring	REPORTING - MFMVo6	Development and submission of the section 71 report	12 section 71 reports for 2013/2014	MFMA Compliant Section 71	Financial System / Treasury Template / All Directors	Number of s71 reports that are compliant with Treasury Regulations and the MFMA	Improved Financial Management and Reporting	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To provide a reliable and effective ICT system	IT - MFMVo7	Review of the Disaster Recovery Plan	2013/2014 Review	Reviewed Disaster Recovery Plan	Risk Officer / Software Service Provider Inputs	Reviewed Disaster Recovery Plan	Secured IT data	
		Review of the IT Security Policy	2013/2014 Review	Reviewed IT Security Policy	All Directors	Reviewed IT Security Policy	Improved levels of IT security	
		Systems downtime for emails, intranet and internet as a result of hardware or network failure	> 3 hrs per incident	12 Systems Downtime Monitoring Reports for File Server, Backup domain controller, Conlog Server, Cloud Server, Email Server	All Directors	Server Downtime monitored	Improved IT Management	
		Monitoring and Maintenance of the Servers	New Indicator	4 Monitoring and Maintenance Reports on Servers	CFO/IT Administrator	Maintained Servers	Improved IT Management	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To have an effective and transparent performance driven organisation capable of effective service delivery and sound administration	SKILLS DEVELOPMENT - MTID01	Development of the 2014/2015 WSP	2013/2014 WSP	2014/2015 WSP developed and submitted to the Department of Labour timeously	Director Corporate/ Manager HR	WSP Developed	Improved capacity of employees to carry out their duties	Director Corporate Services
		Number of employees capacitated in terms of the Workplace Skills Plan	2013/2014 WSP Implementation Report	2013/2014 Reports	Director Corporate/ Manager HR	Capacitation of employees	Improved capacity of employees to carry out their duties	
		Number of councillors trained	2013/2014 Councillors Training Implementation Report	2013/2014 Reports	Director Corporate/ Manager HR	Capacitation of Councillors	Well Informed and capacitated Political Arm	
		Number of communities trained	2013/2014 Communities Training Implementation Report	2014/2015 Community Training Reports	Director Corporate/ Manager HR	Number of community members capacitated	Skilled and informed communities	
		Number of internships and learnership opportunities created	2013/2014 Internships and Learnership Report	2014/2015 Internship Reports.	Director Corporate / Manager HR	Experienced young graduates and matriculants	Work ready graduates and matriculants	
		Number of Finance interns appointed in accordance with FMG standards	2013/2014 Finance intern database	2014/2015 Reports	Director Corporate/ Manager HR/CFO	Experienced young graduates	Work ready graduates	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To have an effective and transparent performance driven organisation capable of effective service delivery and sound administration	SKILLS DEVELOPMENT - MTID01	Review and Monitor Implementation of Human Resource Strategy	2013/2014 Implementation Reports	Bi-annual report on the Implementation of the HR Strategy	Director Corporate/ Manager HR	Effective HR Management	Improved management of Human Resources matters	Director Corporate Services
		% of staff who meet Minimum Competency levels (as prescribed by NT)	2013/2014 Reports	2 Bi-annual reports submitted to the standing committee for information.	Director Corporate/ Manager HR	Capacitation of employees	Improved capacity of employees to carry out their duties	
To promote effective and inspiring governance	EMPLOYMENT EQUITY - MTID02	Review and Implement the Employment Equity Plan for 2014/2015	2013/2014 Employment Equity Plan	Reviewed and approved Employment Equity Plan for 2014/2015	Director Corporate Services / Manager Human Resources	Plan developed/reviewed and approved by Council for submission to DoL	Equal Employment Opportunities for all and compliance with the EE Act	
		Number of employees employed in accordance with the Employment Equity targets	2013/2014 Report	Bi-annual reports on the number of people employed in terms of the approved Employment Equity Plan	Director Corporate/ Manager HR	Reports compiled	Balanced Equity in the employment of the municipality	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To have an effective and transparent performance driven organisation capable of effective service delivery and sound administration	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT - MTID03	Review of the organogram	2011 Approved Organogram	Organogram reviewed by 17 January 2015	Director Corporate Services/ Manager Human Resources	Organogram developed	Improved Recruitment of staff in the municipality	Director Corporate Services
		Number of critical posts filled within 3 months of being vacant	2013/2014 Reports on posts filled within 3 months of being vacant	Bi-annual Reports on the number of posts filled within 3 months of being vacant	Director Corporate/Manager HR	Number of reports compiled	Effective Human Resource Management	
		Review of the staff establishment in line with Cogta Regulations	New Indicator	Cogta Regulations Compliant Staff Establishment by 17 January 2015	Director Corporate / Manager HR	New Staff establishment in terms of the Cogta Regulations	Effective Human Resource Management & functional structure	
		Install Phase 2 Electronic Clock System in the remaining municipal offices	Electronic System installed in all Municipal Offices	Phase 1 of Finger Printing System installed in all Municipal Offices	Phase 2 of Finger Printing System installed in all Municipal Offices	Director Corporate / Manager HR (250 000)	Effective & accurate attendance records	
To build a healthy, competent and effective	EMPLOYEE WELLNESS PROGRAMME - MTID04	Number of reports on the functionality of the employee wellness programme	Functionality Reports for 2013/2014	4 Quarterly Reports on the Implementation of Employee Wellness Programmes	Director Corporate/Manager HR	Number of actual Wellness Programmes implemented and reported on.	Improved state of Municipal Employees	
To provide a healthy and safe working environment	OCCUPATIONAL HEALTH AND SAFETY - MTID05	Conduct OHS inspections in	2013/2014 Inspection Reports	4 Quarterly Inspection Reports	Director Corporate/Manager HR	Number of inspections conducted	Improved working Environment of Municipal Employees	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To promote fair Labour Practices	LOCAL LABOUR FORUM - MTID 06	Number of Local Labour Forum meeting held	2013/2014 Meetings	4 LLF meetings held	Director Corporate/ Manager HR	Number of meetings held	Improved Relations between the Employer and Employees	Director Corporate Services
To eliminate the number of litigations against the municipality	LEGAL SERVICES - 07	Management of all Municipal Lease agreements	2013/2014 Reports	4 Quarterly Inspection Reports	Director Corporate/ Manager HR	Number of reports prepared	Improved Management of Lease Agreements	
		Monthly Reporting on the status of Legal cases the municipality is involved in	2013/2014 Reports	Quarterly Reports	Director Corporate/ Manager HR	Number of reports prepared	Improved Relations between the Employer and Employees	
To provide and manage municipal matters within prescribed legislations and policies	POLICIES AND BY-LAWS - MTID 08	Facilitate the review and adoption of Municipal By-laws	29 By Laws	10 By Laws Reviewed	Director Corporate/ Manager HR/ R350 000	Number of reviewed By Laws	Improved management of municipal affairs	
		Facilitate the review of all municipal policies	2013/2014 Reviewed Policies	All Municipal Policies Reviewed	Director Corporate /Manager HR	Number of Reviewed Policies	Improved management of municipal affairs	
		Consolidation of Institutional Procedure Manuals	New Indicator	Procedure Manuals Consolidated	Director Corporate/ Manager HR	Consolidated Procedure Manuals	Improved management of municipal affairs	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To provide for suitable and secure working conditions for municipal staff and councillors	BUILDINGS - MTID 09	Manage and facilitate the provision of security services to all municipal properties	Expired contract	All municipal buildings secured	Director Corporate/ Manager Admin/ R1 800 000	Number of municipal buildings secured	Secured municipal property	Director Corporate Services
		Development and Implementation of the Repairs and Maintenance Plan	2013/2014 Repairs and Maintenance Reports	Quarterly Reports on Repairs and Maintenance of Municipal Buildings	Director Corporate/ Manager HR	Number of buildings actually repaired	Improved management of municipal assets	
To safe guard municipal information in an effective	RECORDS MANAGEMENT - MTID10	Implementation Electronic Document Management System	New Indicator	Quarterly Report on the Effectiveness of the Electronic Documents Management System	Director Corporate/ Manager HR	Number of reports provided	Improved management of Council Documents	
To have an effective and transparent performance driven organisation capable of effective service delivery and sound administration	PERFORMANCE MANAGEMENT AND REPORTING - MTID11	Review of the Performance Management Policy	2009 Reviewed Performance Management Policy	Review of the PMS Policy	Director IPME/Manager Governance and Compliance	PMS Policy Reviewed	Improved Monitoring and Evaluation within the municipality	Director IPME
		Signing of Performance agreements with the Municipal Manager and Section 56 Managers	2013/2014 Signed Performance Agreements of 556 Managers	6 Signed Performance Agreements by 31 July 2014 with the Municipal Manager's one included	Director IPME/Manager Governance and Compliance	Number of signed agreements	Structured and Improved Planning, Monitoring and Evaluation	
		Signing of Performance agreements with Middle Managers	New Indicator	13 Signed Middle Manager's Performance Plans by 31 July 2014	Director IPME/Manager Governance and Compliance	Signed Agreements	Structured and Improved Planning, Monitoring and Evaluation	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To have an effective and transparent performance driven organisation capable of effective service delivery and sound administration	PERFORMANCE MANAGEMENT AND REPORTING - MTID11	Quarterly performance reviews conducted with section 56 Managers	2013/2014 Quarterly Reviews	6 Quarterly Performance Reviews	Director IPME/Manager Governance and Compliance	Number of quarterly performance reviews conducted	Structured and Improved Planning, Monitoring and Evaluation	Director IPME
		Quarterly performance reviews conducted with Middle Managers	New Indicator	13 Quarterly Performance Reviews	Director IPME/Manager Governance and Compliance	13 Quarterly Performance Reviews conducted	Structured and Improved Planning, Monitoring and Evaluation	
		Compilation of the Annual Performance Report (s46)	2013/2014 Annual Performance Report	Annual Performance Report compiled and submitted to AG by 31 August 2014	Director IPME/Manager Governance and Compliance	Annual Report compiled and submitted timeously	Structured and Improved Planning, Monitoring and Evaluation	
		Compilation and tabling of the Mid-Year Performance Report (s72)	2013/2014 Mid-Year Performance Report	2014/2015 Mid-Year Performance Report compiled, tabled by 25 January 2015	Director IPME/Manager Governance and Compliance / CFO	Degree to which s72 report compiled and submitted timeously.	Structured and Improved Planning, Monitoring and Evaluation	
		Development and Tabling of the Service Delivery and Budget Implementation Plan	2013/2014 Annual Report	SDBIP Compiled and approved by the Mayor within 14 days after the approval of the budget	Director IPME/Manager Governance and Compliance	Degree to which SDBIP compiled	Structured and Improved Planning, Monitoring and Evaluation	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To undertake holistic integrated development and spatial planning	SPATIAL PLANNING - MTID12	Develop a new SDF and Land Use Management System, with reviewed policies in line with SPLUMA by 30 June 2015	Change in legislation	Developed and approved SDF and Land Use Management System, with reviewed policies (SPLUMA compliant) by June 2015	R 1 M and Town Planner	Approved SPLUMA Policy; Approved SDF & Land Management System.	SPLUMA compliance	Director Technical Services
		Develop an implementation schedule for SPLUMA	Change in legislation	Implementation schedule for SPLUMA developed by September 2014	Town Planner	Practical schedule	SPLUMA compliance	
		Updating of Zoning register	2013/2014 Zoning Register	Zoning Register fully updated by year end and on an ongoing basis.	Time of Town Planning Unit	Approved town planning register	Control of land use	
		Updating building register	2013/14 register	Building register fully updated by year end and on an ongoing basis	Time of Town Planning Unit	Approved building register	Building control in terms of compliance	
	INTEGRATED DEVELOPMENT PLANNING - MTID13	Development of the 2015/2016 IDP	2014/2015 IDP	Development of the 2015/2016 IDP	Director IPME/Manager IPED	IDP developed	Improved Planning of Municipal Programmes	Director IPME
		Development of the IDP and Budget Process Plan for 2016/2017 review	2015/2016 IDP and Budget Process Plan	Development of the 2016/2017 IDP and Budget Process Plan	Director IPME/Manager IPED	Process Plan Developed	Improved Planning of Municipal Programmes and timing thereof	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
To undertake holistic integrated development and spatial planning	INTEGRATED DEVELOPMENT PLANNING - MTID13	Number of IDP Representative Forum meetings held	2013/2014 Meetings	4 IDP Forum Meetings held	Director IPME/Manager IPED/Manager Communications, IGR and Stakeholder Relations	Number of meetings held	Improved Integrated Planning	Director IPME
		Number of IDP and Budget Representative Steering Committee meetings held	2013/2014 Meetings	4 Meetings Held	Director IPME/CFO/ Manager IPED/Manager BTO	Number of meetings held	Improved Budgeting	
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To promote and instil good governance practices within Senqu municipality	RISK GGPP01	Quarterly Reporting on Risk Matters to the Audit Committee	2013/2014 Risk Reports	4 Reports submitted to the Audit Committee	Director IPME/Manager Governance and Compliance	Risk Register Updated and number of reports compiled	Minimisation of Municipal Risk	Director IPME
		Number of Risk Assessments conducted	2013/2014 Risk Assessment Reports	12 Departmental Risk Assessments Conducted	Director IPME/Manager Governance and Compliance	Number of Departmental Risk Assessments conducted	Minimisation of Municipal Risk	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Promote compliance with legislation	COMPLIANCE GGPP02	Update of the Compliance Register	New Indicator	Compliance Register Developed and submitted to the Audit Committee	Director IPME/Manager Governance and Compliance	Number of updates to the register	Compliance with Municipal Legislations	Director IPME
		Monitoring of the Website Compliance with the MFMA and MSA	2013/2014 Reports	4 Quarterly Reports on the Website compliance	Director IPME/Manager Governance and Compliance/ Manager IGR and Communications/ R106 000	Number of reports on the status of website for compliance	Improved monitoring of the Municipal Website	
		Monitoring of the Implementation of the Compliance Register	2013/2014 Reports	11 Compliance Implementation Reports and workshop Conducted	Director IPME/Manager Governance and Compliance	Number of monitoring reports	Compliance with Municipal Legislations	
Promote Good Governance within the Senqu Municipality	OVERSIGHT - GGPP03	Monitor the implementation of the Audit Action Plan	2013/2014 Reports	4 Quarterly Reports on the Implementation of the Audit Action Plan	MM/SAE/R190 000	Number of Audit Action Plan Implementation Reports	Improved Audit Outcome	Municipal Manager
		Monitor the Implementation of the OPCAR	New Indicator	4 Quarterly Reports on the Implementation of the OPCAR	MM/CFO/DIRECTOR IPME	Number of OPCAR Implementation Reports	Improved Audit Outcome	
		External Quality Review	New Indicator	1 External Quality Review	MM/SAE (R100 000)	Report on the External Quality Review	Improved Oversight	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To ensure coherent and transparent decision making within the municipality	OVERSIGHT - CGPP03	% of Council/Exco/Top Management resolutions tracked	2013/2014 Tracking Report	100% Quarterly compliance	Director Corporate/ Manager Council Support	Reports compiled	Improved implementation of Council Resolutions	Director Corporate Services
		Number of Council meetings held	4 Meetings	4 Council meetings held as scheduled	Director Corporate/ Manager Council Support	Number of Council meetings held.	Improved Oversight of Council and Decision Making	
		Number of Exco meetings held	11 Meetings	11 Meetings	Director Corporate/ Manager Council Support	Meetings Held	Improved Oversight of Council and Decision Making	
To promote and instil good governance and oversight		4 Municipal Public Accounts Committee meetings held	2013/2014 Meetings	11 Quarterly MPAC meetings to be held	MM/COO	Number of MPAC meetings held.	Enhance oversight over Municipal functioning	Municipal Manager
		4Audit and Performance Committee meetings held	2013/2014 Meetings	4 Meetings Held	MM/SAE	Number of Audit & Performance Committee meetings held.	Enhance oversight over Municipal functioning	COO
		Oversight Report prepared by 31 March 2015	2013/2014 Oversight Report	2014/2015 Oversight Reports Prepared	MM/COO	Reports compiled	Enhance oversight over Municipal functioning	Director IPME
		Final Draft 2013/2014 Annual Report prepared by 31 March 2015	2012/2013 Annual Report	2013/2014Annual Report Prepared	Director IPME/Manager Governance and Compliance	Reports compiled	Improved Performance Monitoring and Reporting	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To promote interactive communication with customers around service delivery issues	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	Number of Functional Ward Committees	New Indicator	19 Ward Committees established & functioning monthly as per reports	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of Ward Committee reports.	Improved Community Participation in Council Decision Making	Director IPME
		Number of Mayoral Imbizos held	2013/2014 Meetings	4 Meetings	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of meetings. Not Yet Available	Improved Public Participation within the Municipality	
		Number of Round Tables Held	2013/2014 Meetings	4 Meetings	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of meetings held	Improved Public Participation within the Municipality	
		Number of Reports on the Implementation of the Public Participation Plan	2013/2014 Implantation Reports	4 Quarterly Reports on Implementation of the Public Participation Plan developed	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of Public Participation Implementation Reports developed	Improved Public Participation within the Municipality	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To promote interactive communication with customers around service delivery issues	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	Implementation of the communication plan	2013/2014 Plan and Implantation Reports	1. Plan Developed and Approved and,2. 4 Quarterly Reports on the Implementation of the Communication Plan	Director IPME/Manager IGR and Communications and Stakeholder Relations	Approved Plan. Number of implementation reports.	Improved capacity in communicating municipal information	Director IPME
		Appointment of the Events Management Consultant for Senqu Municipality	New Indicator	Appointment of the Events Management Consultant for Senqu Municipality	Director IPME/Manager IGR and Communications and Stakeholder Relations/R500 000	Consultant Appointed	Improved image of Senqu Municipality	
		Number of Presidential Hotline queries resolved	100% Issues Resolved	12 Monthly Reports	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of queries resolved and reported on.	Improved Service Delivery	
		Number of Customer Complaints resolved	Senqu Line installed	12 Monthly Reports	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of queries resolved and reported on.	Improved Service Delivery	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To promote interactive communication with customers around service delivery issues	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	Number of Internal Newsletters developed	2 Newsletters Distributed	4 Signed Newsletters Distributed	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of signed newsletters developed /distributed	Improved Communication with Internal stakeholders	Director IPME
		Number of External Newsletters developed	1 Newsletters Distributed	4 Signed Newsletters Distributed	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of signed newsletters developed /distributed	Improved Communication with External stakeholders	
To promote the mainstreaming and upliftment of HIV and AIDS , women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	MAINSTREAMING - GGPP05	Implementation of the HIV/Aids Strategy	2013/2014 Implementation Reports	12 Monthly Reports on the Implementation of the HIV/Aids Strategy	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of reports developed	Improved Mainstreaming of HIV/AIDS related issues	
		SPU annual activity plan developed, adopted and implemented	2013/2014 Activity Plan	Approved SPU Annual Activity Plan by 30 September 2014 and 3 quarterly implementation reports	Director IPME/Manager IGR and Communications and Stakeholder Relations	Activity Plan Developed and reported on in 3 implementation reports	Improved Mainstreaming of SPU related issues	
		Number of SPU structures meetings held (1 quarterly meeting per structure each quarter)	2013/2014 Meetings	4 Meetings Held (1 quarterly meeting per structure)	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of meetings held per structure	Improved Mainstreaming of SPU related issues	

STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2014)	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	RESPONSIBLE PERSON
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To promote interactive communication with customers around service delivery issues	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPPo4	4 Local AIDS Council meetings held	4 Meetings	4 Quarterly Meetings	Director IPME/Manager IGR and Communications and Stakeholder Relations	Number of meetings held,	Improved Mainstreaming of HIV/AIDS related issues	Director IPME
		Senqu Mayoral Cup Held and Youth Festival	2013/2014 Senqu Mayoral Cup	2014/2015 Senqu Mayoral Cup Held by 31 May 2014	Director IPME/Manager IGR and Communications and Stakeholder Relations	Event Held	Improved Youth Development	

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARDS AND S46 REPORT 2014/2015

This report constitutes a draft, once amended it will be incorporated into the main body of the report. The report will be attached as Appendix T.

s46 of the Municipal Systems Act, Act 32 of 2000 informs this report directly and requires that:

- The Annual Performance report forms part of the municipality's Annual Report as per Chapter 12 of the Municipal Finance Management Act;
- The Annual Performance Report is required to reflect:
 - The performance of the municipality and all external service providers utilised within the current financial year;
 - Comparisons of all performance between the current and previous financial years (comparing targets against actual performance); and
 - Detail regarding all measures taken to improve performance.

This s46 Performance Report will detail all issues as required and based on the information accessed via municipal reports, records, statistics and the like. It will be noted that this information is provided as a draft that incorporates the previous, current and future performance management targets and performance is reflected for the previous and current years (based on information provided by management).

Note:

- Information is provided in this first draft with the understanding that this information is required to be verified and audited – information has been accepted at face value and may be required to be amended following the auditing of the Annual Financial Statements and the Annual Report.
- Challenges were experienced with reporting information provided and this is especially true of the quarterly reporting. More specifically it is noted that:
 - When considering the targets and reporting on milestones (these targets) there is often no alignment or correlation between the two. Often a specific technical and quantifiable answer is required (e.g. work performed) and the reporting states "Report". This clearly does not define anything;
 - Often reporting is inadequate and not enough information is provided. If meetings were held – the dates are required and any other pertinent facts;
 - By way of advice --- when setting IDP targets – ensure that these are realistic and achievable. It is hard to adjust targets after the fact and sometimes a "continuous" or long-term target will be more realistic; and

- Discrepancies are at times noted and it is not always clear which information is correct. Information must be provided accurately;
- The IDP is required to show projected reporting that spans 5 years – in this instance reporting does not cover this period – making it extremely difficult to compile the s46 report;
- Correct reporting on performance is beneficial for all other performance reporting and performance assessment (i.e. reporting at both the institutional and individual) – why not make life simpler and keep it correct so that it assists with all other reporting required.



CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART 2)

Chapter 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART 2)

INTRODUCTION

The organization engages in all reasonable efforts to ensure that it is able to meet the IDP objectives and day to day operational needs by ensuring that it is staffed correctly and in accordance with its functional needs. In terms of organizational support, appropriate efforts are made to ensure the presence of and monitor the use and implementation of relevant policies and procedures – ensuring compliance in respect of this and in respect of related legislative issues (Recruitment, Workplace Skills Plan, Employment Equity and the like). Careful monitoring ensures that staff recruitment, selection, appointment and retention are handled correctly and strictly in accordance with stated policy, procedures and legislation. In the interests of maintaining effective employee relations: staffing is managed effectively, labour is managed by engaging in effective employment practices, staff are trained and developed according to structured needs, optimal organizational structures are developed and job descriptions for all posts are developed in accordance with the principles of correct division of work and the manner in which performance will be monitored.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
Description	Year June 2014	Year June 2015			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No. (funded)	Vacancies %
Municipal Manager	9	10	8	0	0
Human Resource	5	8	5	0	0
Admin & Council Support	10	22	11	0	0
Roads & Stormwater	15	68	15	1	6.25
Fleet	2	2	2	0	0
Housing	2	9	5	0	0
PMU	4	6	4	0	0
Governance & Compliance	3	9	3	0	0
Local Economic Development & Planning	4	5	3	0	0
Communications/ IED	4	5	5	0	0
Community & Social service	70	134	105	3	2.7
Electricity	7	18	11	0	0
Budget & Treasury	1	5	2	1	33
Information Technology	2	4	2	0	0
Traffic	7	35	14	0	0
-Supply Chain & Expenditure	5	10	6	0	0
Revenue	14	16	11	0	0
Other	34	7	7	0	0
Section 56 & MM	6	6	6	0	0
Totals	204	379	225	5	2.1%

Note: As the water function moved to JGDM, 2 meter readers were transferred and 1 meter reader retired. These positions are then no longer funded.

Note: Vacancies only reflect the vacant funded positions and not all vacant positions on the organogram.

VACANCIES

Task / Job Level	June 2014		June 2015			
	Employees No	Posts	Employees	Posts	Vacancies Full time equivalent funded posts	Vacancies as % of total posts
0-2	79	107	89	107	2	2.2%
3	6	19	6	20	0	
4	2	10	3	10	0	
5	8	14	6	14	0	
6	32	80	36	80	1	2.7%
7	10	20	15	21	0	
8	7	13	3	13	0	
9	4	12	5	12	0	
10	9	25	11	25	0	
11	16	30	18	30	1	5.2%
12	9	18	10	18	1	9%
13	3	5	3	5	0	
14	1	2	0	1	0	
15	2	5	4	5	0	
16	4	5	4	5	0	
17	0	0	0	-	0	
18	2	4	5	5	0	
19	1	2	1	2	0	
20	0	0	0	-	0	
21	0	0	0	-	0	
22	0	0	0	-	0	
23	0	0	0	-	0	
SECTION 57	6	6	6	6	0	
TOTAL	201	377	225	379	5	2.1%

VACANCY RATE: YEAR AS AT JUNE 2015			
Designations	*Total Approved Posts No.	*Vacancies (total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0%	0%
CFO	1	0%	0%
Other s56 Managers	4	0%	0%
levels 16-25 (excluding Finance posts)	8	0%	0%
levels 16-25 (Finance posts only)	2	0%	0%
levels 13-15 (excluding Finance posts)	4	0	0%
levels 13-15 (Finance posts only)	3	0	0%
levels 9-12 (excluding Finance posts)	36	0.26	0.7%
Levels 9-12 (Finance posts only)	10	1	10%
Levels 4- 8	64	0.16	0.2%
Levels 1-3	97	0.68	0.7%
Total	230	2.1	0.9%
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.			

TURN-OVER RATE			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
July 2014 to June 2015	219	13	5.9%
July 2013 to June 2014 (previous Financial year)	201	16	7.9%
*Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year.			

Within this area of planning and control it must be noted that within both financial years Senqu Municipality has performed exceptionally well as detailed below:

- During 2012/2013 93.05% of all funded vacant posts were filled (target of 80%);

- During 2013/2014 95.64 % (% is derived by using only funded posts and funded vacant posts (unfunded post were not considered) of these posts were filled; and
- During 2014/2015 97.82% of all funded vacant posts were filled.

Staff Establishment Figures:

2013/2014				2014/2015			
Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant	Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant
379	219	10	150	379	225	5	149

The table below details the approved, filled and vacant funded posts within Senqu Municipality for 2014/2015:

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance Agreements	Filled Posts	Total Number of Vacant funded posts in the Entire Institution	Total Number of Vacant <u>unfunded</u> posts in the Entire Institution
379	6	225	5	149

Organization Structure

The municipality has an overall staff complement of 379 posts of which 225 post are filled 5 funded positions remain vacant. There are 149 unfunded positions. An analysis of posts during the year under review provides the following detail:

Organizational Structure (2014/2015)

DEPARTMENT / FUNCTION	POSTS FILLED	POSTS FUNDED BUT VACANT	POSTS UNFUNDED	TOTAL NUMBER OF POSTS
Council and Executive	9	0	2	11
Corporate & Support Service	17	0	14	31
Budget & Treasury Service	36	1	35	72
Community & Social Service	108	3	24	135
Technical & Engineering Service	41	1	67	109
IPME	14	0	7	21
Total	225	5	149	379
Percentage (against total no. of posts)	59%	1.3%	39%	100%

Staff appointments during this time: 225

Staff terminations: 13

Levels of education and skills (2013/2014 and 2014/2015)

Period	Total Number Of Staff	Number Of Staff Without Grade 12	Number Of Staff With Senior Certificate Only	Number Of Staff With Tertiary/Accredited Professionals Training
2013/2014	219	104	59	56
2014/2015	225	98	58	69

Comment on Vacancies and Turnover

It must be noted that the turnover rate moved from 7.9% to 5.9%. Staff appointments moved from 219 to 225. During the year under review an additional 6 appointments were made. Although we had 13 terminations, only 1 was as a result of resignation. The other 12 were due to death and retirement.

Employment Equity Statistics: Target groups employed in *the three highest levels of management* in compliance with a Municipality's approved employment equity plan (2014/2015)

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Legislators	16	2			18			1	37
Top Management	2	0	0	2	2	0	0	0	6
Senior Management Targets	3	1	0	1	6	1	0	1	13
Senior Management Targets Met 2013 July – June 2015	3	2	0	1	5	1	0	2	14
Professionally Qualified and Experienced Specialists and Mid Management	8	3	0	0	10	4	0	0	25
Professionally Qualified and Experienced Specialists and Mid Management met 2013 July – June 2015	17	0	0	0	6	1	0	1	25
Skilled Technical and Academically Qualified Workers	1	1	0	1	5	1	0	1	10
Skilled Technical and Academically Qualified Workers Target met 2013 July – June 2015	2	0	0	1	0	0	0	1	4

Notwithstanding these successes it is acknowledged that the scarcity of skills challenges remains. There is definitely an under-representation within the category of the disabled, but it must be understood within its particular context. This situation is not for the most part directly under ones control. If candidates applying for these posts for posts do not met these criteria/are not from the designated /targeted groups within the labour market, then there is little one can do aside from marketing to these groups/producing attractive remuneration packages.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Introduction to Municipal Workforce Management

The management of the workforce is informed by the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act, the MFMA; the internal Disciplinary Policy and Procedures, the Performance Management Policy and many related policies, procedures and legislation. In order to ensure that these are implemented correctly and to ensure that management and staff have the required level of commitment, stakeholders are involved in the compilation of these policies and are trained so that they can be effectively applied. Upon joining the organization all staff, management and Councillors receive a Code of Conduct and undergo suitable induction training (both on and off the job -- i.e. as a general induction). Policies and procedures are reviewed annually in order to ensure that they are managed and remain applicable to the current context at all times.

In this regard the intention is to create a personnel administration that is administered in a manner considered to be fair, efficient, effective and transparent. Managers in turn are required to manage and support staff in an appropriate manner and according to prescripts. In this manner a supportive management and administrative structure is created in order to support successful outcomes.

4.2 POLICIES

The following HR Plans have been developed and/or reviewed:

HR POLICIES AND PLANS				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Essential User Car Scheme	100	New policy	29 September 2014
2	Scarce skills remuneration policy	100	100	29 September 2014
3	Housing subsidy Policy	100	New Policy	29 September 2014
4	Cellphone & 3G	100	100	28 March 2015
5	Bursary	100	100	28 March 2015
6	Training & Development	100	100	28 March 2015
7	Employee Assistance / Wellness		100	28 March 2015

HR POLICIES AND PLANS (CONT.)				
Name of Policy		Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
8	Affirmative Action and Employment Equity		100	28 March 2015
9	Attraction and retention		100	28 March 2015
10	Training and development	100	100	28 March 2015
11	HIV/AIDS		Due for Re-view	Nov 2005
12	Career Development & Succession Planning	100	100	28 March 2015
13	Promotion, demotion & Transfers	100	100	28 March 2015
14	Leave	100	100	28 March 2015
15	Occupational Health & Safety	100	100	28 March 2015
16	Official Housing	100	100	27 March 2015
17	Subsistence & Travelling	100	Under review	28 March 2015
18	Telephone	100		27 March 2013
19	Performance Management & Development	-	-	Newly developed, needs to be adopted
20	Recruitment, Selection & Appointments	100		27 March 2013
21	Remuneration Policy	100	100	28 March 2015
22	Relocation	100	100	28 March 2015
23	Perks Scheme	100	100	31 March 2015
24	Termination of employment	100	100	28 March 2015
25	Sexual Harassment	100	Under review	
26	Bereavement Policy	100		28 March 2015

The following Organization –wide Policies and Plans have been developed and/or reviewed:

POLICIES (ORGANIZATION WIDE)				
Newly developed	Revised	Consultation Top Management LLF (through circular for comment or at LLF meetings	Dates ratified by council By	Policies implemented (Yes or No)
	Central Register Manual		27 March 2013	Yes
	Records Management Policy		27 March 2013	Yes
	Access to Information Manual		27 March 2013	Yes
	Customer Care Policy		11 December 2012	Yes
	Borrowing Funding & Reserve		Reviewed May 2015	Yes
	Supply Chain Management		Reviewed May 2015	Yes
	Debt Collection and Credit Control		Reviewed May 2015	Yes
	Cash Management Banking and Investment Policy		Reviewed May 2015	Yes
	Asset Management & Insurance Policy		Reviewed May 2015	Yes
	Rates		Reviewed May 2015	Yes
	Information System Security/ IT Policy		20 march 2012	Yes
	Tariff Policy		Reviewed May 2015	Yes
	Free Basic and Indigent Policy		Reviewed May 2015	Yes
	Credit Card Policy			Yes
	Disaster Recovery Plan		20 March 2012	Yes
	Tariff and Service Policy		Reviewed May 2015	Yes
	IS Security Policy same as IT policy		20 March 2012	Yes

Comment on Workforce Policy Development Progress and Plans

Policy development occurred as follows:

- **Technical Services:**
 - The Technical Services division has a number of standard operating procedures in place and under these circumstances review is not always required (although updates will always be on the cards with any operational changes);
 - The Town Planning & Building Control Policy is currently in place; and
 - Roads & Electricity are covered within the bylaws.

- **Budget & Treasury:**

The following policies have been reviewed:

- Borrowing, Funding and Reserve Policy
- SCM Policy
- Debt Collection & Credit Control
- Cash Management Banking & Investment Policy
- Tariff Policy
- Free Basic & Indigent Policy
- Property Rates and Valuations
- Asset management and insurance policy; and
- Credit Control Policy.

- **Corporate Services Directorate:**

The following policies have been reviewed:

- Bursary
- Cellphone and 3G
- Training & Development
- Employee Assistance/Wellness
- Affirmative Action and Employment Equity
- Attraction and retention
- Training and development
- HIV/AIDS
- Career Development & Succession Planning
- Promotion, demotion & Transfers
- Leave
- Occupational Health & Safety
- Official Housing
- Subsistence & Travelling
- Recruitment, Selection & Appointments
- Telephone
- Remuneration Policy
- Relocation
- Perks
- Termination of Employment
- Bereavement

- **Office of the Municipal Manager**

- An Internal Audit Charter was adopted on 28 January 2014

- **Organization Wide Policies as specified (Refer to table above)**

NOTE: Within all of these instances extensive consultation processes were undertaken & reviewed policies were presented to top management and LLF and workshops were conducted with staff & councilors.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

The tables below reflect the statistics for the previous financial year i.e. 2013/2014.

NUMBER OF DAYS AND COSTS OF SICK LEAVE (EXCLUDING IOD) 2013/2014						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	392	-	39	88	4.45	R65 609.69
levels 4-8	368	-	41	64	5.75	R104 564.40
Levels 9-12	359	-	29	44	8.16	R267 891.00
Levels 13-15	86	-	5	7	12.29	R153 150.70
Levels 16 - 25	49	-	6	10	4.9	R111 680.10
MM and s56	55	-	4	6	9.16	R233 267.35

NUMBER OF DAYS AND COSTS OF SICK LEAVE (EXCLUDING IOD) 2014/2015						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	405	-	31	97	13.6	R 55 905.00
levels 4-8	370	-	40	64	9.25	R 118 368.00
Levels 9-12	361	-	38	46	9.5	R 175 302.00
Levels 13-15	86	-	7	7	12.28	R 49 111.00
Levels 16 – 25	49	-	6	10	8.16	R 48 524.20
MM and s56	33	-	4	6	8.25	R 80 120.00

Comment on Injury and Sick Leave

Sick leave statistics show that sick leave has risen slightly and is consistently slightly higher than last year in the levels 1 – 12. Sick days range from 8 to 13 days per person throughout the organization. While this does not appear excessive it does need to be monitored closely and emerging patterns handled appropriately.

When sick leave is taken the Leave Policy must be strictly applied and Sick Leave must be claimed prior or after the illness (depending on its nature). As per the prescriptions of policy a doctor's certificate is not required for a period less than 3 days unless there is a history of sick leave having been taken twice in a continuous 8 week period. If this is the case a certificate is required. A certificate is also required if a pattern begins to emerge and management may request this should this become evident. For any period greater than 2 consecutive days, a sick leave certificate is required.

IOD's are required to be reported and managed strictly in accordance with the Occupational Health and Safety Policy in which the procedure is clearly stated. In instances where injuries / sick leave extend for long periods or are questioned, the organization reserves the right to have the injury/aspect of sick leave examined by a doctor of choice.

NOTE: If it becomes apparent that an employee is likely to be off for an extended period or medically boarded, the Pension Fund is required to be notified within 6 months of this "potential disability". Failure to do so could result in non-approval of future disability claims and liability from the municipality. It is suggested that notification conservatively begin at 3 months.

Suspensions and Cases of Financial Misconduct:

NUMBER AND PERIOD OF SUSPENSIONS 2014/2015				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
NIL	N/A	N/A	N/A	N/A

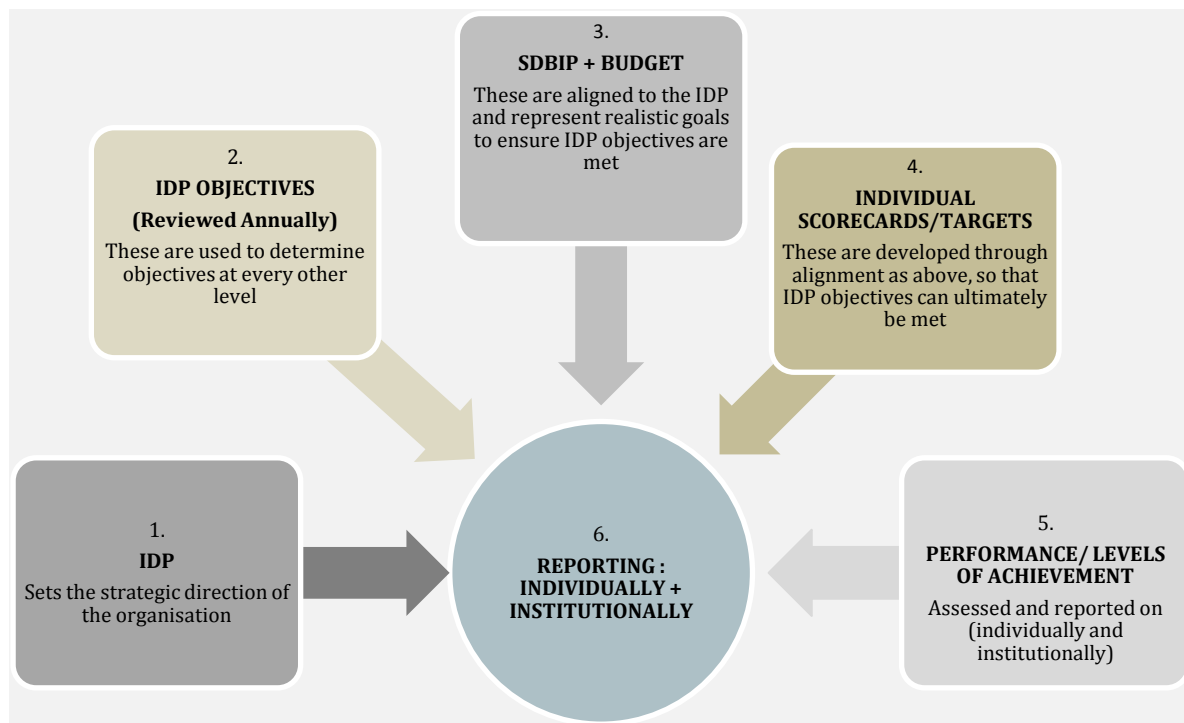
DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT 2014/2015			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
SPU OFFICER	Dishonesty / Gross negligence R3 750.00	Case finalized. Sanction: Final Written Warning and suspension for 5 days without pay	June 2015

4. 4 PERFORMANCE REPORTING AND REWARDS

The Performance Management System and Framework was initially adopted and applied from 11 March 2011. This system is closely aligned to the Municipal Planning and Performance Management Regulations of 2001 and 2006. The policy was most recently reviewed 30 June 2015.

In terms of the Systems Act it was understood and accepted that municipalities were required to develop and utilize systems that were best suited to their environment, circumstances and available resources. With this in mind, Senqu Municipality adopted a Performance Management System that was best suited to its circumstances, while ensuring alignment with the Municipal Planning and Performance Management Regulations of 2001 and 2006.

“Performance management” does not occur in isolation and is required to be understood as part of an “integrated approach”. Performance is there for required to be understood from both an employee’s perspective and also from the institution’s perspective. The organisation’s performance is directly dependent on the performance of each and every individual who works there. To fully understand “performance”, performance assessment is required to take place on both levels. Every effort is required to ensure that all prescriptions of the Performance Management Policy and related procedure are adhered to. There is interdependency between the individual and institutional performance management functions and desired outcomes. Failure on either side to ensure that appropriate action is taken and desired outcomes are achieved will be detrimental to the organisation.



As reflected within this diagram:

1. The IDP sets the strategic direction of the organisation (based on community inputs) and this will impact on the development of performance goals and the operational direction of the organisation;
2. Although the IDP is a 5 year strategic plan, this plan is reviewed annually and adjusted to suit current resources and needs (human , operational and financial resources);
3. The SDBIP is developed while being aligned to the IDP and available budget. In this manner performance targets are set realistically while taking the current context and resources into account;
4. The performance targets reflected in the SDBIP are translated into performance targets for senior managers, managers reporting to them and cascaded to every level below. In this manner and through ultimate alignment with the IDP, each individual will be required to contribute towards the achievement of required performance targets. Currently the system only takes performance management in terms of policy to the level below management ie. to the middle managers;
5. Performance is assessed (institutionally and at the individual level). This is defined by policy prescriptions and will ensure that appropriate efforts are made to achieve desired outcomes; and
6. Reporting is prescribed at both the individual and the institutional levels and this is required to occur in the manner prescribed by policy.

In keeping with the systems approach, all results are assessed / analysed and feedback and assessment of this nature will feed back into the system – ensuring that all required issues are addressed/modified in the new financial year.

Note: During 2014/2015, the individuals/employee performance management system is applicable to both s56 managers and the managers reporting to these managers (i.e. middle management).

INDIVIDUAL EMPLOYEE PERFORMANCE ASSESSMENT AND MANAGEMENT

- The Performance Cycle runs annually from 1 July to 30 June;
- Annually, the strategic objectives are translated into the organisational scorecard, which in turn cascades into the performance scorecard of the s56 Managers and then the managers reporting to them (as per current status of applicability);
- Annually, performance agreements and scorecards are reviewed, updated and signed;
- During discussions between the manager and his/her subordinate at the start of the new financial year, both parties determine training and development needs and these are documented within the relevant Personal Development Plan (PDP). This PDP then feeds into the establishment of the Workplace Skills Plan and ultimately ensures that all parties are trained and capacitated to perform their functions effectively;
- Regular performance related discussions are held between the manager and the subordinate in an effort to ensure that performance meets required targets;
- Formal discussions and assessment take place – although it must be understood that additional discussions are encouraged, in order to ensure that all parties meet regularly and resolve any performance issues that may come to the fore.

Formal discussions occur as follows:

ACTIVITY	APPLICABLE TIMEFRAMES
Coaching	July – September
1 st Formal Assessment	October – December
Coaching	January – March
Final Formal Assessment (Annual Panel Assessment)	April – June (this assessment only occurs <u>after</u> approval of Annual Report ie. after the AFS and the Annual Report are audited).

As per the table above:

Coaching

- this occurs during Quarter 1 and Quarter 3; and
- The immediate manager/supervisor and subordinate meet to discuss progress and ways to improve performance /meet targets and the like.

First Formal Assessment

- This occurs in Quarter 2; and
- The immediate manager/supervisor and subordinate discuss the manager's/supervisor's ratings and how to deal with issues/where performance targets are not met. Action Plans are developed to resolve issues raised.

Final Panel Assessment

- A formal panel is appointed. This may only sit after approval of the Annual Report (i.e. following the auditing of all performance and related information);
- The panel is appointed according to the prescriptions of the Regulations; and
- Employees may receive performance bonuses should they meet required criteria for achieving a bonus award. Terms and conditions of applicable framework and policy will apply.

Note: all claims of performance must be validated /proven. For this reason each applicable staff member is required to develop and maintain a portfolio of evidence, where proof surrounding all claims of performance are documented i.e. validated. Lack of evidence translates to a “zero” achievement and the lowest score ie. a “1”.

Rating and Performance Assessment

When conducting assessments (second quarter) and the final assessment (after approval of the AR and auditing of the AFS) the following issues are to be noted:

- **During the second quarter:** performance is assessed and rated by both the supervisor/manger and subordinate. Effort is made to reach agreement.
- **During the final assessment,** assessments are conducted by a panel (prescribed in composition by the Performance Management Regulations;
- The panel process operates as follows:
 - Each manager/individual being assessed rates own performance and presents performance information to the panel (supported by portfolio of evidence information). An explanation of how targets were met/why they could not be met is discussed.
 - Each panellist rates each indicator according to the rating calculator detailed below.**At this point no ratings are totalled. Each indicator is rated and evaluated separately.**
The following rating calculator is used:

LEVEL	TERMINOLOGY	DESCRIPTION
5	OUTSTANDING PERFORMANCE	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above the fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	PERFORMANCE SIGNIFICANTLY ABOVE EXPECTATIONS	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	FULLY EFFECTIVE	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	PERFORMANCE NOT FULLY EFFECTIVE	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	UNACCEPTABLE PERFORMANCE	Performance does not meet the standard expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

NOTE: Performance auditing may sometimes prove challenging in that it is most common to adopt a “black or white” type analysis (which is relevant in many instances). “Performance” and the manner in which “performance is assessed” can be challenging all on its own. In this regard there is a need for “grey” on occasion and indeed both the Performance Regulations and the PMS Policy make provision to entertain and to assess a situation based on the “grey” ie. making allowances for extenuating circumstances/circumstances beyond ones control.

Under these “grey” circumstances it would be possible for an employee to score favourably notwithstanding the fact that a target was not met in the strictest sense. As an example: If the target could not be met due to an external factor beyond ones control, the question would be – what did the employee do to make the best of this situation/how did they turn it around/did something else positive come about as a result? In this instance the focus changes from **what they could not achieve** (through no fault of his/her own), to **what he/she did achieve notwithstanding** and/or what efforts/innovative action was taken (successful or not)?

When rating performance according to the currently approved PMS Policy, the table below (as per the policy and the regulations) illustrates the “grey factors” that are considered and which will have impact (**and which must be considered** in terms of this policy and the

Regulations – **in order to ensure compliance**). In particular, “innovation” and “complexity” are noted. In other words, even when circumstances prevent a target from being achieved 100%, consideration and recognition is required to be made when the incumbent shows that they have used their initiative/innovation to achieve positive outcomes nonetheless. On this basis they then meet the target in “other ways” – **justifiable of course**. This must be considered and evaluated as a matter of compliance.

Factors to be considered when “Rating” and deciding the rating (Rating Scale)

Duration of task	- Was the target achieved within the projected time frame?
Level of complexity	- Required problem solving - Reconciling different perceptions - Innovative /creative alternatives used
Cost	- Within budget - Saving - Overspending
Constraints	- Did envisaged constraints materialise? If so, were steps taken to manage/reduce the effect of the constraint? If not, did it beneficially affect the completion of the target? Any innovative/pro-active steps to manage the constraint

- Each and every panellist rates each and every target/indicator on each individuals scorecard;
- The PMS/HR facilitator develops a consolidated scorecard in which these ratings are translated into consolidated scores for each individual being assessed; and
- Depending on the final score (out of 200), the individual may qualify to receive a performance bonus (refer to sliding scale detailed previously).

Employee Performance during 2013/2014:

- Scorecards were developed (aligned to the SDBIP, Budget and IDP);
- Performance was assessed as per policy;
- Performance / Evaluation panels were established for the final assessment
- Performance for the 556 managers for 2012/2013 was assessed (following approval of AR and auditing of the AFS; and
- The Performance Report for 2012/2013 was timeously prepared.

Employee Performance during 2014/2015:

- Scorecards were developed for 2014/2015 although implementation was delayed by the re-viewal of this policy;
- 6 performance agreements were signed by the Municipal Manager, Mayor and all the directors. These were submitted to Local Government on 8 August 2014;
- Performance Agreements were uploaded onto the municipal website by 23 July 2014;

- Quarter 2: 6 Performance Agreements were developed and signed 21 October 2014;
- During the third quarter assessments and quarterly reviews were completed 3 March 2015 and 4 March 2015 respectively;
- Reviews were conducted quarterly;
- The Middle Management scorecards were not yet complete and were only finalised during the second quarter. As a result of delays, assessment will only occur during the fourth quarter;
- The assessments for middle managers was not completed in the fourth quarter due to delays regarding the re-view of the policy;
- At the end of the assessment process, the PMS Facilitator/Coordinator was tasked with translating these ratings into appropriate scores and consolidating all scores received into a consolidated report and final score per individual;
- Each individual has a scorecard which is made up of indicators/performance targets for both Key Performance Areas (KPA's) and Core Management Competencies (CMC's) in the ratio of 80:20 i.e. 80 scores represent the total for KPA's and 20 scores represent the total for CMC's;
- The entire scorecard for each individual has a total of 100 points. The final score achieved therefor translates into the actual score total out of 100 points. This total is then doubled to reflect a total score out of 200 points (as it is required to be translated into the bonus score sliding scale). In terms of the Performance Management System applicable (aligned to the Performance Management Regulations) a bonus award is applicable based on a score out of 200 and the sliding scale of 5-14% bonus award.
- Based on the sliding scale the following awards are possible:

PERFORMANCE SCORE	PERFORMANCE BONUS
150% +	10% – 14%
130% to 149%	5% – 9%

- By way of example:
 - A score of 130 – 133.99 receives a bonus of 5%
 - A score of 134-137.99 receives a bonus of 6%
 - A score of 1.66 and above would receive a full bonus of 14% (of the fully inclusive remuneration package).

More specifically, the following sliding bonus scale applies:

TABLE: Sliding Bonus Scale

PERFORMANCE SCORE	% BONUS
130	5
134	6
138	7
142	8
146	9
150	10
154	11
158	12
162	13
166+	14

NOTE: It is a misconception that should the Municipality receive a qualified audit report, that no bonus would be paid. It must be understood that each individual is evaluated according to his/her own performance targets and the achievement of these or not.

All performance results are required to be validated and this is achieved through the relevant portfolios of evidence and the process of audit. A performance Audit Committee sits expressly for this purpose.

INSTITUTIONAL PERFORMANCE MANAGEMENT

The following institutional reporting provides the required information that leads to appropriate action:

ASSESSMENT REPORT	TIMEFRAME	SUBMITTED TO	REQUIRED BY
SDBIP's	Quarterly	Exco	MFMA, Circular 13
Budget Statements	Monthly	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Organisational Scorecard	Quarterly	Exco	PMS Framework
SDBIP Mid-year budget & Performance Assessment	Annually during January each year	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Performance Report	Annually	Council	S46 of MSA as amended. Incorporated into Annual Report
Annual Report	Annually	Council	Circular 63 and Chapter 12 of the MFMA

Institutional PMS Progress (2013/2014 and 2014/2015)

During both of these periods it is noted that the required action was taken and reporting was completed in terms of compliance:

- The draft SDBIP (aligned to the IDP) was developed and tabled to the Mayor 14 days after the budget was tabled;
- The Mayor approved the SDBIP within 28 days of the adoption of the budget;
- Quarterly SDBIP reports were developed and submitted;
- As required the s72, s46 and Annual Report for these periods were submitted timeously with all having been audited as required (with good alignment);
- The IDP was reviewed timeously and the objectives for both periods were accommodated within the SDBIP and scorecards;
- During 2013/2014 it must be noted that the MPAC and Audit Committee meetings were not held as frequently as required. During 2014/2015 these meetings (to provide required oversight) took place as prescribed;

- The Annual Performance Report 2013/2014 was submitted to the AG, inclusive of the annual report on 29 August 2014;
- The Mid-Year performance report 2014/2015 was completed and tabled at Council meeting of 30 January 2015. This was approved; and
- The SDBIP for 2015/2016 was submitted to the Mayor by the Municipal Manager and sent to Council for notification on 26 June 2015.

NOTE: Verification of all data reported on occurs through the various auditing processes conducted. No assessment of individuals takes place until the Annual Report has been finally approved i.e. after all data within this report has been audited and verified. In so doing it must be noted that the credibility is maintained and data verified as required.

Comments on Performance Rewards

Although the Annual Cycle runs from 1 July – 30 June annually, the final formal assessment only occurs after the final approval of the Annual Report and the auditing of the Annual Financial Statements. After auditing these represent verified documents – all detail provided within these documents being recognized as being credible (having been assessed).

In terms of the PMS Policy, a deserving and qualifying employee may receive a performance bonus, providing the terms and conditions of policy are met. Following the outcomes of the ratings and consolidated scores (from the assessment panel) the final score will be considered against the sliding scale relating to performance bonuses.

Management of Poor Performance

Poor performance is required to be managed on-the-job through performance /behavioural assessment and coaching. Performance/behavioural issues will be handled according to the terms /conditions of any fixed term contract of employment and/or in terms of the applicable Disciplinary and Procedure Code.

Final Reporting: Employee Performance

Final reporting in terms of performance assessments of s56 managers and others takes place through formal record and is contained with the Performance report that is submitted to Council.

In the case of the Municipal Manager, these results are submitted to the MEC for Eastern Cape Local Government and the National Minister for Local Government.

NOTE: Final Performance Assessments are only concluded after the Annual Report has been audited and finally approved. At this point, all statistics and performance claims on which assessments will be based will have been verified.

The table below reflects the final outcomes of the performance assessed and details statistics regarding those that received an award (detailed by Gender). This can only be completed following the assessment for this period and this in turn can only be conducted following the final draft and approval of the Annual Report.

PERFORMANCE REWARDS BY GENDER (2013/2014)					
Designations	Beneficiary Profile (s56 Managers)				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R*000	Proportion of beneficiaries within group %
MM & s56 managers	Female	2	2	R372 545.38	100%
	Male	4	4	R898 219.43	100%
Total		6	6	R1 270 764.81	100%
Has the statutory municipal calculator been used as part of the evaluation process?					Yes
<p>Note: MSA 2000 S51(d) requires that.....'performance plans, on which rewards are based should be aligned with the IDP'.... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p>					

No final assessment is conducted until the annual report is finally approved i.e. after data contained within the Annual Report has been audited and verified. By doing so the credibility is maintained and data is verified. In keeping with this, 2014/2015 Performance Rewards will only be paid out during the next financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Introduction to Workforce Capacity Development

Senqu Municipality has always placed strong emphasis on the development of a well capacitated workforce – extending to the capacitation of all Councillors, management and staff. Senqu Municipality has demonstrated both in the current and preceding years the extent of its commitment to fulfilling all planned training as reflected within the Workplace Skills Plan (WSP). This was based on aspects relating to the results of a skills audit, requirements in terms of the IDP objectives and determining the gaps and the developmental needs of Councillors, management and employees.

Reports on the implementation of the WSP are compiled and submitted to the LGSETA quarterly. The WSP was compiled for the 2014-2015 period and was adopted by Council (having been ratified by SAMWU and IMATU). The SDF was appointed, the WSP developed, approved and successfully implemented.

Notwithstanding the successful development of the WSP and its implementation, one has to acknowledge the very real limitations in respect of financial resources. Accordingly, notwithstanding the fact that training and development takes place, it must be acknowledged that this will never be considered to be sufficient in terms of current need.

Historically, training was affected, not only by financial limitations but also by the following issues:

- The fact that training was not managed in a centralized manner, made it difficult to capture and gain all the evidence required regarding training statistics (attendance and the like); and
- The fact that subsistence and travel claims were at times subsidized from these training votes, causing additional financial constraints.

Moving forward it must be noted that as with the 2013/2014 period, the training function within 2014/2015 was centralised and all training related expenditure could only be authorised by the Director of Corporate Services/ designated other.

4.5 SKILLS DEVELOPMENT AND TRAINING

Comment on Skills Development Expenditure 2014/2015

- The institutional training budget: R 1 833 652.17
- Actual expenditure: R 1 139 657(Including Bursaries for unemployed)
- Variance: R693 995.17

Expenditure per Department 2014/2015

Municipal Manager's Department

Budgeted amount: R 60 000

Amount spent: R10 168.42

Variance: R49 831.58

All the required training programmes were implemented in the Municipal Manager's office. The remaining amount (variance) was supposed to be paid to SALGA for Ms George Nontlantla for Public administration. SALGA failed to supply the municipality with an invoice. Money will be paid on receipt of invoice.

Internal Auditing Section

Budgeted amount: R50 000.00

Spent: R38 110.82

Variance: R11 889.58

The variance is attributed to the fact that two (2) training programmes were cancelled /phased out due to a shortage of delegates.

Corporate Services Department

Budgeted amount: R270 000. 00

Amount spent: R 254 833.70

Variance: R15 166. 30

The variance is attributed to the fact that the bursary tuition fees for Mr Masande Methuse at Central University of Technology(unemployed bursary) were not paid as Mr Methuse had indicated that he had received another bursary from the National School Funds Student Assistance (NFSAS).

Legislators

Budgeted amount: R215 788.00

Amount spent: R211 459.60

Variance: R4 328.40

The variance is attributed to the fact that SALGA paid the training fees for the Councillor Development Programme (CDP).

IPME Department

Budgeted amount: R177 000.00

Amount spent: R117 572.58

Variance: -R 572.58

Finance Department

Budgeted amount: R107 000.00

Spent: R74 887.37

Variance: R32 112.63

The variance was due to the fact that Finance staff were unable to attend certain of the training due to the fact that it was scheduled towards the end of the financial year and responsibilities at work took preference by necessity.

Traffic Section

Budgeted amount: R535 000

Spent: R 7 689.00

Variance: R527 311.00

The huge amount reflected on the budget was due to the high costs that had arisen in the previous financial year for the training of Trainee Traffic Officers. The trainees completed their training during the previous financial year and no new trainees were then required to be appointed.

Community Services Department

Budgeted amount: R 176 214.17

Spent: R 143 121.21

Variance: R 33 092.86

The variance was due to the fact that certain training was not implemented due to the travelling and accommodation budget having been exhausted for this department.

Technical Services Department

Budgeted amount: R281 814.30

Spent: R242 650.00

Variance: R 45 517.41

This variance was due to the fact that certain training had not been implemented due to non – availability as a result of work related matters.

Areas of training priority (as reflected in the IDP) for 2014/2015 are reflected as follows:

- Performance Management
- Roads Construction and Maintenance
- Government Media and Communications
- E-Natis Supervisory Management Skills
- Contract Law Management
- Tipper Truck Machinery Course
- TLB Machinery Course
- Basic Computer Course
- Advanced Computer Course
- Basic and Intermediate Excel
- Advanced Excel
- CPMD
- Advanced Diploma in Auditing
- Customer Care for Cleaners
- Workplace Skills Planning
- Stores Management Skills
- Technical Report Writing Skills
- Effective Report writing Skills
- Councillor Development
- CIDB workshop
- Facilitation Management Skills
- Basic Archives and Records Management
- Intermediates Archives and Records Management

- Personal Assistant Management Skills
- Transport and Fleet Management Skills
- Supply Chain Management
- Debt recovery Management
- Asset Management
- Leave and Payroll Management
- Building construction standards
- Public Admin Management
- Minute Taking Skills
- Bachelor in Business Administration
- B. Tech in Project Management
- Intermediate in Project Management(Short Course)
- High /Medium voltage electricity
- Examiner for driving licence grade D
- Risk Management
- Financial Management
- Supervisory Skills Management
- Fundamentals of project Management
- Media Capacity workshop for councillors

SKILLS DEVELOPMENT AND TRAINING

2013/2014

SKILLS MATRIX 2013/2014														
Management Level	Gender	Employee in post as at 30 June 2014	Learnerships			Skills Programme and other Short Courses			Other Forms of Training			Total		
		No.	Actual End of Year June 2014	Actual End of June 2013	Year 2013/2014 Target	Actual End of Year June 2014	Actual End of June 2013	Year 2013 Target	Actual End of Year June 2014	Actual End of June 2013	Year 2014 Target	Actual End of Year June 2014	Actual End of June 2013	Year 2014 Target
MM and s57	Female	2	2	-	2	2	-	2	-	-	-	2	-	2
	Male	4	4	-	4	4	-	4	-	-	-	4	-	4
Councillors,	Female	17	3	-	14	15	-	15	-	-	-	15	-	29
	Male	20	2	-	2	12	-	12	-	-	-	14	-	14
Senior Managers	Female	7	4	-	4	4	-	6	2	-	3	6	-	6
	Male	6	4	-	4	6	-	6	2	-	-	6	-	6
Technicians														
	Female	2	0	-	0	2	-	2	-	-	-	2	-	2
Professionals	Male	6	1	-	1	2	-	2	-	-	-	3	-	3
Sub Total	Female	16	7	-	7	7	-	16	4	-	-	14	-	14
	Male	13	3	-	3	9	-	13	3	-	-	9	-	9
Sub Total	Female	44	16	-	27	30	-	41	6	-	-	39	-	53
	Male	49	16	-	15	33	-	35	5	-	-	36	-	36
Total		93	38		45	66		77	10			76		76
*Register with professional Associate Body e.g. CA (SA)														

2014/2015

SKILLS MATRIX 2014/2015														
Management Level	Gender	Employee in post as at 30 June 2015	Learnerships			Skills Programme and other Short Courses			Other Forms of Training			Total		
		No.	Actual End of Year June 2015	Actual End of June 2014	Year 2014/2015 Target	Actual End of Year June 2015	Actual End of June 2014	Year 2015 Target	Actual End of Year June 2015	Actual End of June 2014	Year 2015 Target	Actual End of Year June 2015	Actual End of June 2014	Year 2015 Target
MM and s57	Female	2	-	-	-	-	-	-	1	-	1	1	-	1
	Male	4	-	-	-	-	-	-	1	-	1	-	-	1
Councillors	Female	17	-	-	-	17	-	17	1	-	8	17	-	17
	Male	20	2	-	3	12	-	12	-	-	4	12	-	20
Senior Managers	Female	8	5	-	2	3	-	8	2	-	2	10	-	12
	Male	8	5	-	-	-	-	5	-	-	2	5	-	7
Technicians														
	Female	3	1	-	1	1	-	1	-	-	-	2	-	2
Professionals	Male	4	1	-	1	2	-	2	-	-	-	3	-	3
	Female	12	2	-	2	12	-	12	-	-	-	14	-	14
	Male	5	2	-	-	5	-	5	-	-	-	7	-	5
							-							
Sub Total	Female	42	8	-	5	24	-	31	-	-	11	32	-	47
	Male	39	10	-	4	18	-	27	-	-	6	28	-	38
Total		81	18	-	9	42	-	58	5	-	18	64	-	85

*Register with professional Associate Body e.g. CA (SA)ey

Note: The reason behind more senior managers and professionals doing learnerships than was planned was due to the fact that Top management took a decision that all middle managers should do CPMD as they are members of the Specifications and Evaluations Committee.

FINANCIAL COMPETENCY DEVELOPMENT REPORT 2013/2014*						
Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated total A & B	Consolidated Competency Assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated Total Number of Officials whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(f))	Consolidated Total Number of Officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	1	0	1	0	0	0
Accounting Officer	1	0	1	0	1	1
Chief Financial Officer	1	0	1	0	1	1
Senior Managers	16	0	16	0	4	3
Any other Financial Officials						
SCM Officials	2		2	0	0	0
Heads of SCM Management Units	0	0	0	0	0	0
SCM Senior Managers	1	0	0	0	0	1
Total	22	0	21	0	6	6
<i>*This is a statutory report under the National Treasury: :Local Government MFMA(Competency Regulations) June 2007</i>						

Note: Although the Municipal Manager has completed all the modules as per the minimum requirements, this information is still not uploaded by the LGSETA and as a result his status is still reflected incorrectly as not having completed the required training. It must be noted that all officials are currently busy completing their CPMD. The “16” senior managers refer to section 57 managers as well as middle managers.

FINANCIAL COMPETENCY DEVELOPMENT REPORT 2014/2015*

Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated total A & B	Consolidated Competency Assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated Total Number of Officials whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(f))	Consolidated Total Number of Officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	0	0	0	0	0	0
Accounting Officer	1	0	1	0	1	1
Chief Financial Officer	1	0	1	0	1	1
Senior Managers	4	0	4	0	4	3
Any other Financial Officials	4	0	4	0	0	4
SCM Officials	3	0	3	0	0	3
Heads of SCM Management Units	0	0	0	0	0	0
SCM Senior Managers	1	0	1	0	0	1
Total	14	0	14	0	6	13

**This is a statutory report under the National Treasury: Local Government
MFMA(Competency Regulations) June 2007*

Note: The National Treasury template focuses on the financial officials and senior managers/directors only . The information that has been populated in the template this financial year reflects reporting as per the treasury template.

Comment on the Financial Competency Regulations

On 15 June 2007, National Treasury published the Municipal Regulations on Minimum Competency Levels in Government (Gazette No. 29976). These Regulations went on to prescribe the higher education qualifications, work related experience and Financial and Supply Chain Management (SCM) competency areas that were required to be met by all officials of South African municipalities/municipal entities who exercise financial management responsibilities.

The Certificate Programme in Municipal Finance Development was required to be obtained by the following officials to whom the competency level prescriptions apply nationally within local authorities:

- Accounting Officers – Municipal Managers;
- Chief Financial Officer's (CFO's);
- Senior Managers – Executive Directors;
- Heads of Supply Chain Management (SCM) Units – Directors : SCM; and
- Managers of Supply Chain Management Units – Assistant Directors: SCM.
- SCM Officials
- Any other financial officials

As of 2014/2015 it must be noted that only one senior manager is not yet declared competent. The Fort Hare Solutions has confirmed that she has submitted all the Port Folios' of evidence that were outstanding. Notwithstanding, the results are still outstanding.

Staff Training conducted 2014/2015

Quarter 1	10 employees
Quarter 2	11 employees
Quarter 3	56 employees
Quarter 4	18 employees

Councillor training was conducted as follows:

Quarter 1	10 councillors
Quarter 2	0 Councillors
Quarter 3	13 Councillors
Quarter 4	25 Councillors

Community Training Initiatives 2014/2015

The following bursaries were awarded to members of the community in order for them to further their studies and be capacitated:

Name	Surname	ID Number	Qualification	Institution	Amount paid	Address
Ntomane	Tshokolo	9212055762084	ND in Civil Engineering	Walter Sisulu University	R39 860.00	T33 Khwezinaledi Lady Grey 9755
Tankiso	Moletsane	9207095879088	ND in Information Technology	MSC College	R18 844.00	1590 Steve Tshwethe Lady Grey 9755
Zukisa	Qwabaza	9405266125089	ND in Tourism	Damelin College	R27 290.00	P.O.Box 43 KwaGcina Village, Sterkspruit

NOTE: The bursaries for the above mentioned learners are awarded on annual basis

Local government support services on NQF levels for the Rossouw and Rhodes units

This programme began on the 26 June 2014 for ten participants (five from Rossouw and five from Rhodes) and continued in this financial year.

Training Committee

The Training Committee met regularly (quarterly) to discuss and decide/approve training related issues. As a consultative forum this committee was comprised of the following representatives:

- Skills Development Facilitator
- Portfolio Head of Corporate Services (Chairperson)
- Speaker
- Director Corporate Services
- Human Resource & Labour Relations Manager
- IDP Officer
- HR Officer

- Superintendent Manager in Roads Construction
- Superintendent Manager in Electrical
- Accountant: Expenditure
- SAMWU Representative (90%)
- Personal Assistant in Community Service
- Chief Operations Officer
- SPU Officer
- Internal Auditor

As required, the Workplace Skills Plan was compiled for the 2014/2015 financial year. This was adopted by Council (after having been signed off by Union).

Within both financial years it is noted that the SDF was appointed, the WSP was developed and approved, the training was implemented in terms of the WSP and it appears that progress was made in a number of areas.

Note: As a comparative, detailed Skills Development Expenditure is provided for 2013/2014 on the tables that follow:

SKILLS DEVELOPMENT EXPENDITURE (2013/2014)

MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
MM	Male	1	200 000	26 550	-	3600-	-	-	-	30 150
MM'S Office managers	Male	1	-	46 329		1500	-	-	-	47 829
	Females	1	-	-		9500	-	-	-	9 500
MM'S Office Professionals	Male	0	-	-	-	-	-	-	-	-
	Female	1	-	-	-	9500	-	-	-	9500
MM'S Office Clerks	Male	0	-	-	-		-	-	-	-
	Females	3	-	-	-		-	-	-	22 249.76
MM's Office interns	Male	1	-	-	-	7 416.58				14 833.16
	Females	1	-	-	-	7 416.58				
Legislators	Male	20	248 400	110 400	-	104 050				214450.00
	Females	17	-	-	-	-		-	-	-

SKILLS DEVELOPMENT EXPENDITURE (2013/2014) (Cont.)

MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director : Corporate services	Male	1	200 000-	9179.50	-		-	71 620	-	80 799.50
Corporate service s Manager	Male	0	-	-	-	-	-	-	-	-
	Females	2	-	-	-	18 000-			-	18000
Corporate services Professionals	Females	3	-	11 227.21-	-	72 163.38	-	-	-	
	Males	1	-	11 227.21-	-	36 081.69	-	-	-	47 308.9
Corporate Services clerks	Male	2	-	-	-	15 000	-	-	-	25 000
	Female	3	-	-	-	10 000	-	-	-	
Corporate services elementary workers/general workers	Males	2	-	-	-	28 000	-			33 400
	Females	2	-	-	-	5400	-			
Remaining was for unemployed	Males	1	13 890	-	-	-	-	-	-	R25 290
	Females	1	11 400	-	-	-	-	-	-	
Director Technical Services	Male	1	200 000	-	-	1 262.18-	-	-	-	1 262.18

SKILLS DEVELOPMENT EXPENDITURE (2013/2014) (Cont.)

MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Technical Services technicians	Male	2	-	-	-	8 562.48	-	-	-	8 562.48
	Females	1	-	-	-	-				
Technical Services clerks	Males	1	-	-	-	2481.93		-	-	2481.42
	Females	4	-	-	-	24 804.42		-	-	24 804.42
Technical services machine operators and drivers	Males		-	-	-	85 507.22		-	-	85 507.22
	Females	0	0	0	0					
Director IPME	female	1	120 000	-		3016.92		-	-	3016.92
IPME managers	Males	1	-	13500-	-	-	-	-	-	13 500-
	females	2	-	-	-	5 056.36-	-	-	-	5056.36
IPME Professionals	Males	1	-	-	-	-	-	-	-	
	Females	4	-	37 351.0	-	7925.34	-	-	-	45 276.34-
IPME clerks	Males	-	-	-						
	Females	3	-	10801	-	6218.86	-	-	-	17019.86

SKILLS DEVELOPMENT EXPENDITURE (2013/2014) (Cont.)

MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director community services	Males	0	-	-	-	-	-	-	-	-
	Females	1	183 836.16	-	-	1262.18	-	-	-	1262.18-
Community services manager	Female	1	-	-	-	4 379.60	-	-	-	4 379.60
	Male	0	-	-	-	-	-	-	-	-
Community Services professionals	Male	6	-	-	-	44 841.86	-	-	-	44 841.86
	Female	1	-	-	-	-	-	-	-	-
Community services clerks	Male	2	-	-	-	10620-	-	-	-	10620-
	Female	3	-	-	-	4535.08	-	-	-	4535.08-
Community services elementary workers	Female	28	-	-	-	7854	-	-	-	7854-
	Male	63	-	-	-	60 000	-	-	-	60 000-

SKILLS DEVELOPMENT EXPENDITURE (2013/2014) (Cont.)

MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director finance department	Males	1	600 000	-	-	4 770.95	-	-	-	4 770.95
	Female	0	-	-	-	-	-	-	-	-
Finance Managers	Male	2	-	-	-	5727.54	-	-	-	10 727.54
	Female	1				5000				
Finance Professionals	Males	4		-	-	6000	-	-		20 000
	Females	3		-	-	14 000				
Finance clerks	Males	5	-	-	-	7 800				25 800
	Females	7				18 000				
Finance Trainees	Male	1	-	-	-	500 000	-	-	-	500 000
	Female	2	-	-	-		-	-	-	-

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Introduction to Workforce Expenditure

An organization is required to manage all resources in the most effective manner and this would include the financial management thereof (i.e. workforce expenditure). In an effort to institute and maintain effective controls (thereby minimizing opportunities to overspend), strict adherence to policy and procedure is required. In this regard no appointments are made without the appropriate approval and ensuring that the budget is allocated accordingly. Budgets are strictly controlled and over and/or under expenditure is reported on regularly (via monthly reporting). Staff appointments are made strictly according to the relevant legislation and/or policy agreement. Staffing issues rely on forward planning and ensuring that the correct appointments to the relevant post are made.

4.6 EMPLOYEE EXPENDITURE

Trends on total personnel expenditure (2006/2015)

FINANCIAL YEARS	TOTAL APPROVED OPERATING BUDGET	PERSONNEL EXPENDITURE (SALARY AND SALARY RELATED)	PERCENTAGE OF EXPENDITURE
2006-2007	52 589 227	18 008 309	34%
2007-2008	71 589 227	20 168 753	28%
2008 - 2009	76 525 928	25 909 676	34%
2009 - 2010	88 602 942	29 794 492 (re stated)	34%
2010 - 2011	162 817 822	43 121 392	26.48%
2011 – 2012	164 315 116	54 025 255	32.88 %
2012 – 2013	155 388 122	56 561 813	36.4%
2013 - 2014	156 024 245	58 113 939	37.24 %
2014 - 2015	189 054 435	72 534 237	38.36 %

Comment on Workforce Expenditure

The 2013/2014 period was characterized by an increase in personnel expenditure from 36.4% to 37.24%.

Disclosures of Financial Interest (Refer Appendix J)

Reference is made to Appendix J which details all information as required.



CHAPTER 5

FINANCIAL PERFORMANCE

CHAPTER 5: FINANCIAL PERFORMANCE

Introduction to Financial Performance

As the global economic uncertainty and rising costs cause inflationary pressures on the municipality, due care is exercised in order to ensure that effective financial management is maintained. In this regard every effort is made to ensure that systems and procedures are in place to ensure that there are sound fiscal controls and an environment that promotes effective financial management and minimizes fruitless and wasteful expenditure. The municipality also ensures that operations are properly controlled to ensure the efficient and effective delivery of services to our consumers.

The 2014/2015 financial year has been particularly successful for Senqu Municipality in so far as financial management and proven sustainability is concerned. To verify this statement, it must be noted that during 2013/2014 Senqu Municipality was awarded a Clean Audit from the Auditor General and ranked by Africa Rating as being the number one (1) financial performer of local authorities within the Eastern Cape.

In addition, Senqu Municipality was chosen to be the pilot site for the implementation of SCOA – which will be applied nationally during 2016 as a matter of compliance. All aspects relating to SCOA preparation are being incorporated within Senqu Municipality and its operating system – ensuring that the financial and support systems integrate with SCOA requirements and performance reporting.

The OPCA project (Operations Projects Clean Audit) has progressed incredibly well – so well in fact that as already indicated, Senqu Municipality was awarded a clean audit from the Auditor General for 2013/2014. The challenge moving forward is to ensure that this achievement can be sustained.

With the introduction of GRAP, information has become more readily available and in many instances is being presented correctly. That being said, difficulties are experienced in respect of information required for property, plant and equipment, inventory, external valuations of employee benefits, tip site provisions and operating grant expenditure (detailed reporting required).

Regular reporting and reporting of required and useful information is required from each directorate and should be regarded as mandatory – which it is. This information is critical for all other reporting and should be readily available.

While specific detail on all aspects of finance are provided within the schedules attached a simple set of standard practices are required in order to ensure that required information is provided in a useful manner.

More specifically:

- There must be compliance regarding all reporting and in particular regarding predetermined objectives, having ensured that they are written in accordance with the SMART principles;
- Issues identified in terms of the Audit Action Plan are required to be addressed and appropriate follow ups conducted;
- The Internal Audit and Audit Committee are required to work together to review the Strategic and Annual Performance Plans – ensuring that these are correctly addressed and that appropriate and valuable reporting is to be found;
- The quality of quarterly and monthly reports is to be assessed and suitable and timeous action taken to rectify issues identified (financial, pre-determined targets or otherwise). Oversight from managers and Internal Audit/Audit Committee is required; and
- Zero tolerance in respect of unauthorised, irregular, fruitless and wasteful expenditure and potential qualifications on predetermined objectives and National Treasury views on non-priority spending.

As an overall assessment the following indicators are highlighted:

• Capital charges to Operating Expenditure :	1.3%
• Liquidity:	6.8
• Outstanding debtors to Annual Revenue :	15.6%
• Creditors to cash:	7.8%
• IDP regulation financial viability figures:	
Debt Coverage	1768.2%
Outstanding Service Debtors:	11.3%
Cost coverage:	0.9

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Statements of Financial Performance are reflected in the tables that follow.

Note: Reference is made to **Appendix K** in which “Statements of Revenue Collection Performance by Vote and by Source” are included.

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

**5.1 STATEMENTS OF FINANCIAL PERFORMANCE – 2014 2015 IN COMPARISON
WITH PREVIOUS FINANCIAL YEAR 2013/2014 ACTUALS**

SENQU MUNICIPALITY				
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015				
		2015	2014	2014
			Restated -	Previously
	Notes	R	Note and	Reported
			Note 35	R
			R	
REVENUE				
Revenue from Non-exchange Transactions		164 129 863	152 758 100	152 758 100
Taxation Revenue		4 607 033	4 492 262	4 492 262
Property taxes	21	4 607 033	4 492 262	4 492 262
Transfer Revenue		151 993 584	147 213 069	147 213 069
Government Grants and Subsidies - Capital	22	27 636 029	35 686 172	35 686 172
Government Grants and Subsidies - Operating	22	124 357 555	111 526 897	111 526 897
Public Contributions and Donations		-	-	-
Contributed Assets		-	-	-
Other Revenue		7 529 246	1 052 770	1 052 770
Actuarial Gains		544 767	719 302	719 302
Fines		421 140	34 000	34 000
Third Party Payments		846 589	295 374	295 374
Reversal of Impairment		-	4 094	4 094
Gain on Fair Value Adjustments of Investment Property	14	5 716 750	-	-
Revenue from Exchange Transactions		45 122 410	41 265 406	41 288 815
Service Charges	23	29 278 523	26 051 651	26 051 651
Water Services Authority Contribution	0	-	-	-
Rental of Facilities and Equipment		613 671	477 529	500 938
Interest Earned - external investments		10 511 716	8 881 444	8 881 444
Interest Earned - outstanding debtors		1 969 792	1 544 494	1 544 494
Licences and Permits		1 301 031	1 548 437	1 548 437
Agency Services		575 141	1 956 462	1 956 462
Other Income	24	872 535	805 390	805 390
Transfer of Functions - Water and Sanitation		-	-	-
Gain on disposal of Property, Plant and Equipment		-	-	-
Total Revenue		209 252 273	194 023 506	194 046 915

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SENQU MUNICIPALITY				
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015				
		2015	2014 Restated - Note and Note 35	2014 Previously Reported
	Notes	R	R	R
EXPENDITURE				
Employee Related Costs	25	54 496 367	48 400 117	48 400 117
Remuneration of Councillors	26	10 399 123	9 580 309	9 580 309
Debt Impairment	27	4 554 196	5 092 904	5 092 904
Depreciation and Amortisation	28	15 774 071	11 794 120	11 766 313
Impairment		117 632	-	-
Repairs and Maintenance	29	4 613 355	3 344 977	3 758 247
Actuarial losses	4	-	133 513	133 513
Finance Charges	30	1 340 717	1 280 551	1 280 551
Bulk Purchases	31	20 079 250	19 424 456	19 424 456
Grants and Subsidies Paid	32	479 587	110 773	110 773
Other Operating Grant Expenditure	33	8 164 611	6 612 811	12 224 561
General Expenses	34	35 809 092	29 894 227	24 312 019
Loss on disposal of PPE/Investment Property	11	264 481	1 917 885	1 925 704
Impairment of Investment Assets	14	886 045	-	-
Impairment of Property, Plant and Equipment	11	4 184 901	-	-
Total Expenditure		161 163 428	137 586 643	138 009 468
NET SURPLUS FOR THE YEAR - BEFORE DISCONTINUED OPERATIONS				
		48 088 845	56 436 864	56 037 447
Discontinued Operations (Water and Sanitation)	0.01	-	-	-
NET SURPLUS FOR THE YEAR		48 088 845	56 436 864	56 037 447

In the Financial year 2014/15 Senqu Municipality achieved an operating surplus of 48 088 845. Actual results compared to planned budget outcomes can be seen below with explanations given for material variances.

**5.1 STATEMENTS OF FINANCIAL PERFORMANCE: BUDGET COMPARISONS
OPERATING REVENUE**

SENQU MUNICIPALITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	
REVENUE BY SOURCE				
Property rates	4 607 033	6 201 207	(1 594 175)	-26%
Property rates - penalties & collection charges	-	-	-	
Service charges	29 278 523	23 963 192	5 315 331	22%
Rental of facilities and equipment	613 671	294 675	318 996	108%
Interest earned - external investments	10 511 716	6 000 000	4 511 716	75%
Interest earned - outstanding debtors	1 969 792	1 048 418	921 374	88%
Dividends received	-	-	-	
Fines	421 140	63 600	357 540	562%
Licences and permits	1 301 031	1 208 400	92 631	8%
Agency services	575 141	2 228 160	(1 653 018)	-74%
Government Grants and Subsidies - Operating	124 357 555	122 266 208	2 091 347	2%
Other revenue	7 980 641	2 132 020	5 848 621	274%
Gains on disposal of PPE	-	-	-	
Total Operating Revenue	181 616 244	165 405 881	16 210 363	
EXPENDITURE BY TYPE				
Employee related costs	54 496 367	61 773 916	(7 277 548)	-12%
Remuneration of councillors	10 399 123	10 760 323	(361 200)	-3%
Debt impairment	4 554 196	4 568 607	(14 411)	0%
Depreciation & asset impairment	20 962 648	27 902 090	(6 939 442)	-25%
Finance charges	1 340 717	1 639 149	(298 432)	-18%
Bulk purchases	20 079 250	28 544 741	(8 465 490)	-30%
Other materials	-	-	-	
Contracted services	-	-	-	
Grants and subsidies paid	479 587	483 000	(3 413)	-1%
Other expenditure	48 587 058	53 382 610	(4 795 552)	-9%
Loss on disposal of PPE	264 481	-	264 481	100%
Total Operating Expenditure	161 163 428	189 054 435	(27 891 008)	
Operating Surplus/(Deficit) for the year	20 452 816	(23 648 555)	44 101 371	
Government Grants and Subsidies - Capital	27 636 029	36 513 171	(8 877 142)	-24%
Net Surplus for the year	48 088 845	12 864 617	35 224 228	

NOTE: Operating Revenue shows a variance of R (16 210 363) as compared to the estimated Operating Revenue at financial year end. This can be attributed to the effects of GRAP 9: Revenue from Exchange Transactions where rebates were budgeted for as “under expenditure”. In addition it is noted that an additional R 4.5 m was collected from interest from investments and an additional R 5.8 million collected from other revenue for service charges.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE: BUDGET COMPARISONS OPERATING EXPENDITURE (CONTINUED)

Note: The operating expenditure came in at a variance of R 27 891 008. This was mainly due to the fact that there was a decrease in depreciation and asset impairment and a decrease in bulk electricity purchases for the year under review.

EXPENDITURE AUTHORISED IN TERMS OF SECTION 32 OF THE MFMA

Unauthorised Expenditure

During the financial year 2014-2015 no unauthorised expenditure was incurred by Senqu Municipality.

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR - OPERATING

	2015 R (Actual)	2015 R (Budget)	2015 R (Variance)	2015 R (Unauthorised)
Budget Comparison by Vote - Unauthorised expenditure current year - Operating				
Executive & Council	26 042 744	26 331 200	(288 456)	-
Planning & Development	15 097 708	16 613 446	(1 515 738)	-
Corporate Services	17 056 885	25 761 399	(8 704 514)	-
Housing	1 402 113	1 881 135	(479 021)	-
Public Safety	56 226	67 796	(11 569)	-
Budget & Treasury	18 682 915	19 694 540	(1 011 625)	-
Road Transport	30 493 126	37 921 271	(7 428 145)	-
Waste Water Management	-	722 901	(722 901)	-
Water	-	-	-	-
Electricity	30 865 998	36 285 725	(5 419 727)	-
Community & Social Services	7 649 380	9 623 978	(1 974 598)	-
Sport & Recreation	345 462	432 075	(86 614)	-
Waste Management	13 470 870	13 718 970	(248 100)	-
	161 163 428	189 054 435	(27 891 008)	-

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR (CAPITAL)

	2015 R (Actual)	2015 R (Budget)	2015 R (Variance)	2015 R (Unauthorised)
Budget Comparison by Vote - Unauthorised expenditure current year - Capital				
Executive & Council	1 695 883	1 741 000	(45 117)	-
Planning & Development	814 377	1 190 000	(375 623)	-
Corporate Services	8 810 890	9 453 000	(642 110)	-
Housing	305 520	393 000	(87 480)	-
Public Safety	38 498	119 500	(81 002)	-
Budget & Treasury	2 157 529	3 196 000	(1 038 471)	-
Road Transport	16 110 246	21 681 436	(5 571 190)	-
Waste Water Management		-	-	-
Water		-	-	-
Electricity	4 094 075	4 413 493	(319 418)	-
Community & Social Services	2 168 493	4 398 846	(2 230 353)	-
Sport & Recreation	11 615 615	15 490 025	(3 874 409)	-
Waste Management	631 702	1 474 000	(842 298)	-
	48 442 830	63 550 299	(15 107 469)	-

No Unauthorised Capital Expenditure was incurred for the year under review

EXPENDITURE AUTHORISED IN TERMS OF SECTION 32 OF THE MFMA

Fruitless & Wasteful Expenditure

Fruitless and Wasteful expenditure for the financial year (2014/15) amounted R 29 039 and R 978 907 was incurred during the previous financial year with R 9605 being condoned by Council.

		2015	2014
Incident	Disciplinary steps/criminal proceedings		
<i>Electricity losses higher than the norm</i>	<i>None</i>	-	969 302
<i>Interest paid to Eskom, Telkom and Kirchmanns - 2014</i>	<i>None</i>	-	9 605
<i>Interest paid to Eskom - 2015</i>	<i>None</i>	29 039	-
		29 039	978 907

Irregular Expenditure

Irregular expenditure increased from R 20 900 to R 667 329 in the 2014/15 financial year. The irregular expenditure resulted from non-compliance with SCM regulations. This is regarded in a very serious light by the Municipality and has resulted in efforts to strengthen its control environment to ensure that irregular expenditure is eliminated completely.

Irregular expenditure			
Reconciliation of irregular expenditure:			
		2015	2014
	Opening balance	20 900	-
	Irregular expenditure current year	667 329	20 900
	Condoned or written off by Council	(20 900)	-
	Irregular expenditure awaiting further action	667 329	20 900
	Irregular expenditure awaiting condonement from National Treasury	-	-
		2015	2014
Incident	Disciplinary steps/criminal proceedings		
<i>Payments made as deviation from Supply Chain Processes</i>	<i>Disciplinary steps has been instituted</i>	529 195	-
<i>Deviations from Supply Chain regulations - Sect 44 - Awards to persons in service of state.</i>	<i>None</i>	138 134	20 900
		667 329	20 900

**APPENDIX D - Unaudited
SENQU MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance	Restated	Contributions during the year	Interest on investments	Operating expenditure during the year Transferred to Revenue	Capital Expenditure during the year transferred to Revenue	Balance 30 June 2015
	1 JULY 2014	balance 01-Jul-09					
	R	R					
CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS							
National Government Grants							
Equitable Share	-	-	110 942 000	-	110 942 000	-	-
Municipal Finance Management	-	-	1 600 000	-	1 600 000	-	-
Municipal Infrastructure Grant	(986 071)	(986 071)	35 838 000	-	5 184 074	24 825 155	4 842 699
Municipal Systems Improvement	-	-	934 000	-	934 000	-	-
NDPG (Neighbourhood Development Partnership Grant)	2 010 056	-	-	-	-	-	2 010 056
EPWP (Expanded Public Works Program)	-	-	1 976 000	-	1 976 000	-	-
Dept Sport (Youth Development - Sport Fields)	-	-	3 064 460	-	253 587	2 810 874	-
Total National Government Grants	1 023 985	-986 071	154 354 460	-	120 889 661	27 636 029	6 852 755
Provincial Government Grants							
Prov Gov - Housing (Hillside)	232 652	232 652		-		-	232 652
Herschel People's Housing	8 053 512	8 053 512		393 393		-	8 446 905
Vuna Awards	359 596			-	359 596	-	-
Alien Vegetation Eradication	644 912		2 492 800	-	1 908 299	-	1 229 414
Libraries	-		1 200 000	-	1 200 000	-	-
Total Provincial Government Grants	9 290 673	8 286 165	3 692 800	393 393	3 467 894	-	9 908 972
Total	10 314 658	7 300 093	158 047 260	393 393	124 357 555	27 636 029	16 761 727

Comments regarding Grant Funding

- The Opening Balance for Grant Funding at the beginning of the year stood at R 10 314 658. Contributions received during the financial year amounted to R 158 047 260.
- Operating Grant Conditions met during the financial year and transferred to revenue amount to R 124 357 555 whilst conditions met for Capital Conditional Grants transferred to revenue amount to R 27 636 029.
- Reasons for the under-spending on grants can be largely attributed to the tribal land dispute issues in the Herschel Housing project that prevents work from continuing.

5.3 ASSET MANAGEMENT

Introduction to Asset Management

The Municipal Finance Management Act No. 56 of 2003 clearly states in Section 62[1][a] that the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

Furthermore an Accounting Officer of a municipality is responsible for the management, safeguarding and maintenance of assets and liabilities and must for this purpose take all reasonable steps to ensure that the municipality has and implements the following:

- Maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- That assets and liabilities are valued in accordance with standards of Generally Recognised Accounting Practice; and
- Maintains a system of internal control of assets and liabilities, including an Asset and Liabilities Register.

ROLES & RESPONSIBILITIES

Role of the Municipal Manager

As the Accounting officer of the municipality, the Municipal Manager is regarded as the principal custodian of all of the municipality's fixed assets. Accordingly the Municipal Manager is responsible for ensuring that the Fixed Asset Management Policy is scrupulously applied and adhered to. The Municipal Manager may in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003 delegate this responsibility.

Role of the Senior Managers

Chief Financial Officer

The Chief Financial Officer shall be the Fixed Asset Registrar of the municipality and is required to ensure that a complete, accurate and up-to-date computerized fixed asset register is maintained. No amendments, deletions, additions or transfers between departments to the fixed asset register shall be made other than by the Chief Financial Officer, or by an official acting under the written instruction of the Chief Financial Officer.

The Chief Financial Officer shall:

- Ensure implementation of the Asset Management and Insurance Policy;
- Ensure the verification of all assets in possession of council annually, as at 30 June each year, within the last three months of that specific financial year;
- Keep a complete and balanced record (assets register) of all assets in possession of the council; and
- Report in writing all asset losses to the council.

Other Senior Managers

- The responsibility for the physical control of assets rests with the relevant Head of Department to whom the responsibility was delegated in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.
- Each Head of Department shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to.
- The Chief Financial Officer must approve any transfer of assets between departments after arrangements between the relevant Heads of departments were made.
- Upon the resignation / retirement of an employee, the applicable Head of Department must inform the Chief Financial Officer and Corporate Service Department in writing that the inventory and asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary the applicable Head of Department must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant Head of Department.

The Municipalities Asset Management Policy was adopted by council on 29 May 2015 as part of the budget related policies.

Although capacity within the municipality's asset management section is limited due to the size of the municipality, capacitation programmes have been identified and increased internal control over assets is observed. Clearly this shows the commitment from management to ensure that capacity is improved.

Additions during the financial year for capital assets amounted to R 52 727 380 which include the following categories of assets. This is including an amount of R 160 005 for intangible assets not included in the table below.

CAPITAL ASSETS 2014/2015

Additions 2014 2015	
	R
Land and Buildings	10 813 398
Land	400 000
Buildings	10 413 398
Infrastructure	16 155 996
Main: Roads	5 073 214
Main: Storm Water	7 944 790
Main: Waste Management	115 777
Main: Electricity	3 022 215
Taxi Ranks	-
Community Assets	12 532 922
Sports Fields	11 518 405
Node Development	-
Parks & Gardens	135 708
Cemetery	878 808
Clinics	-
Leased Assets	-
Office Equipment	-
Other Assets	8 828 966
Motor Vehicles	5 152 369
Plant & Equipment	1 024 964
Office Equipment	118 445
Furniture & Fittings	909 146
Loose Equipment	-
Computer Equipment	1 624 043
Specialised Vehicles	-
Security Items	-
	48 331 283

TABLE: SCHEDULE A9 ASSET MANAGEMENT SUMMARY SHEET

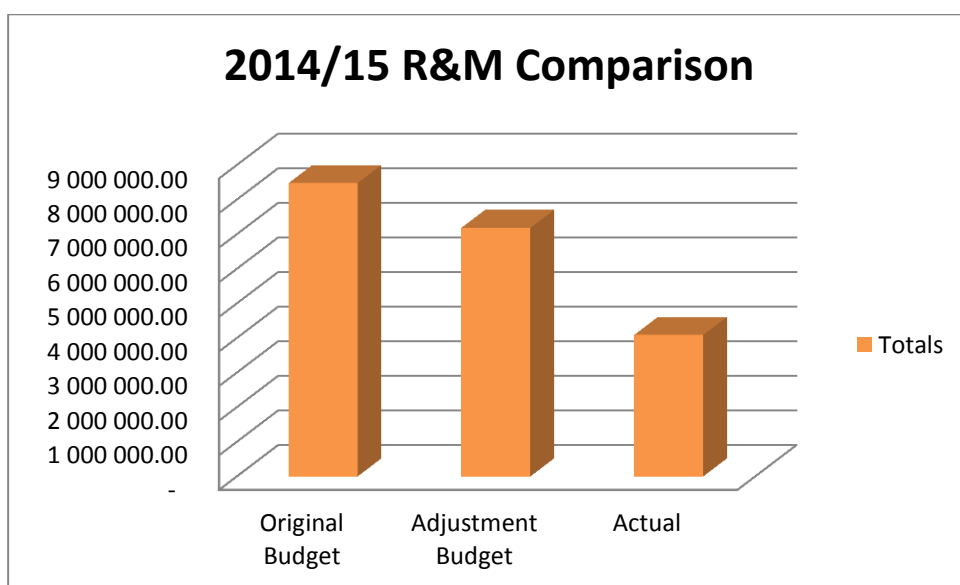
Description R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		112 848	62 470	95 791	107 126	118 337	118 337	109 853	117 175	128 048
Infrastructure - Electricity		7 238	4 232	6 067	16 148	14 950	14 950	14 945	27 988	31 274
Infrastructure - Water								–	–	–
Infrastructure - Sanitation		112						–	–	–
Infrastructure - Other		6 777	12 717	3 897	11 400	12 199	12 199	20 627	24 751	24 137
Infrastructure		126 976	79 419	105 755	134 673	145 485	145 485	145 425	169 915	183 460
Community		14 618	3 478	15 360	42 575	41 563	41 563	39 820	54 354	65 090
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	14 012	12 549	12 549	12 549	10 262	10 262	10 262
Other assets		62 781	80 493	72 618	81 820	86 030	86 030	110 103	123 056	129 420
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		82	–	445	215	215	215	133	80	22
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	204 457	163 390	208 190	271 832	285 841	285 841	305 743	357 667	388 254

REPAIRS & MAINTENANCE (2014/2015)

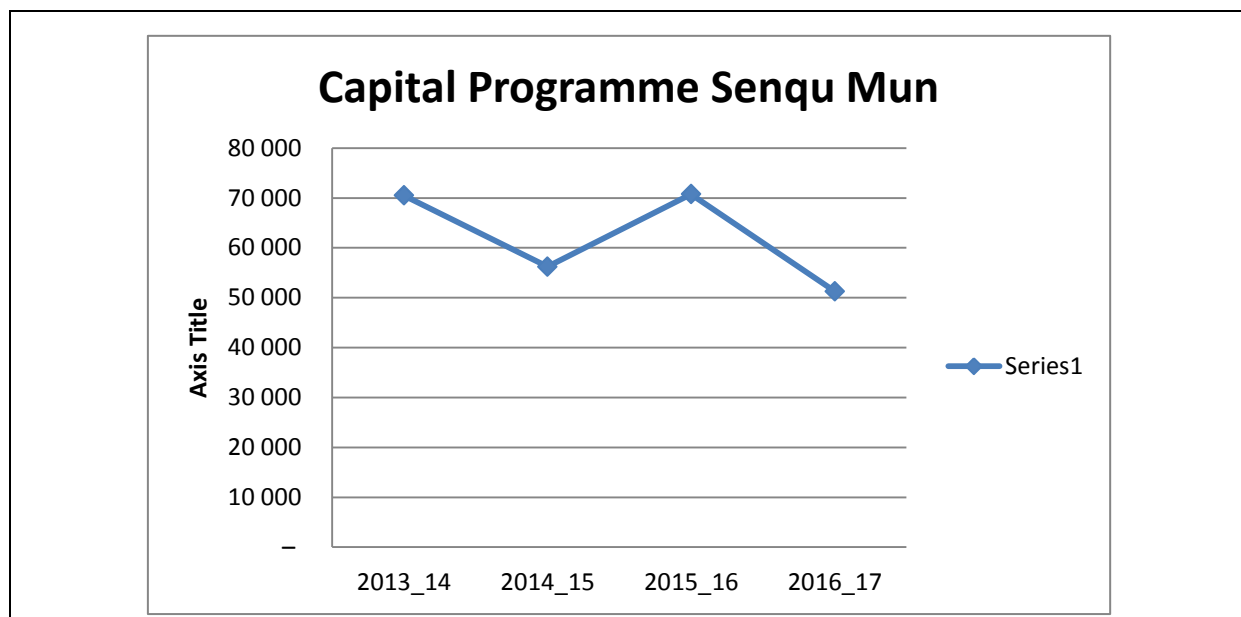
Repairs and Maintenance Expenditure Year June 2014				
Repairs and Maintenance Expenditure	Original Budget	Adjustment Budget	Actual	Budget variance %
Totals	R 8 477 698	R 7 182 698	R 4 613 355	35 % Variance – Adjusted Budget vs. Actual Exp R/M

Comments on Repairs and Maintenance:

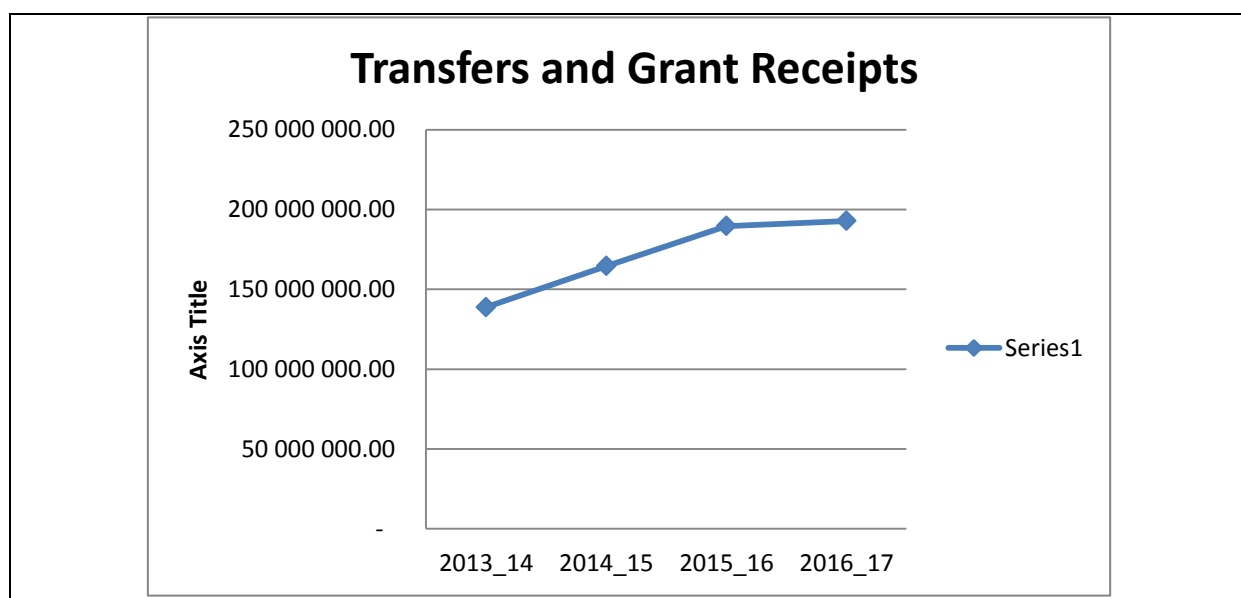
- During the Adjustment Budget process, the original amount for repairs and maintenance was reduced from R 8 477 698 to R 7 182 698 (R 1 295 000 reduction).
- 65 % of the Adjustment Budget was subsequently spent which shows a deviation of 35 % less than approved adjusted budget with actual expenditure amounting to R 4 613 355. Reference is made to the graph below for a comparison of basis of the table above.



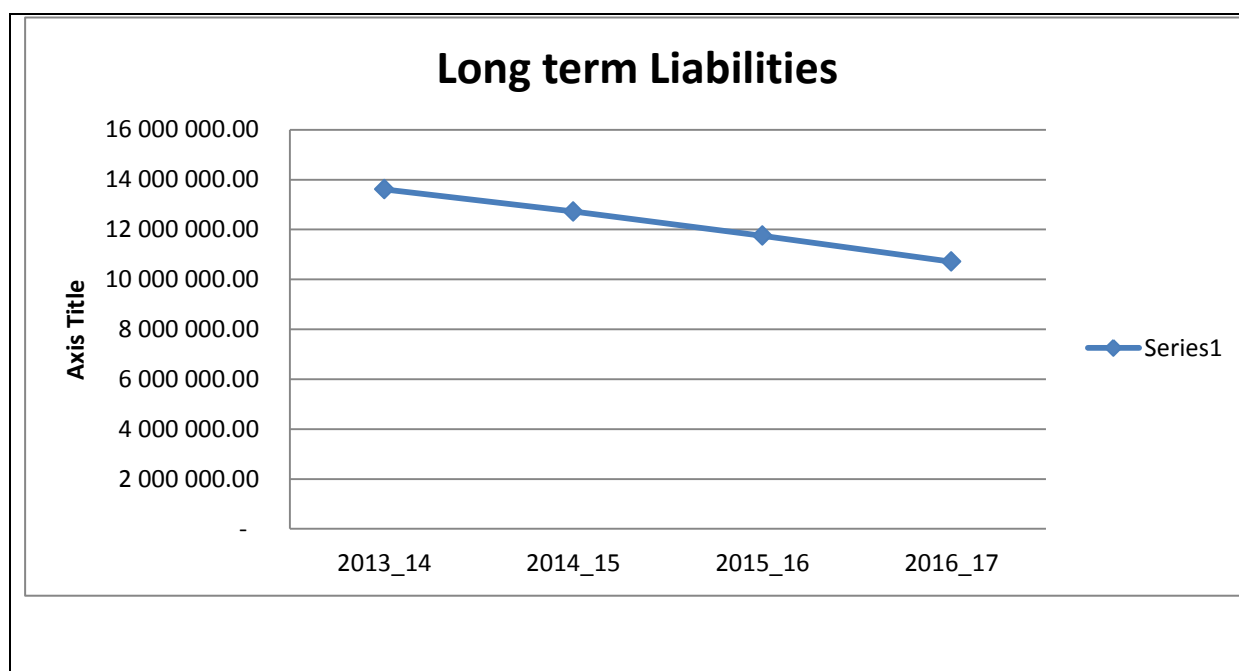
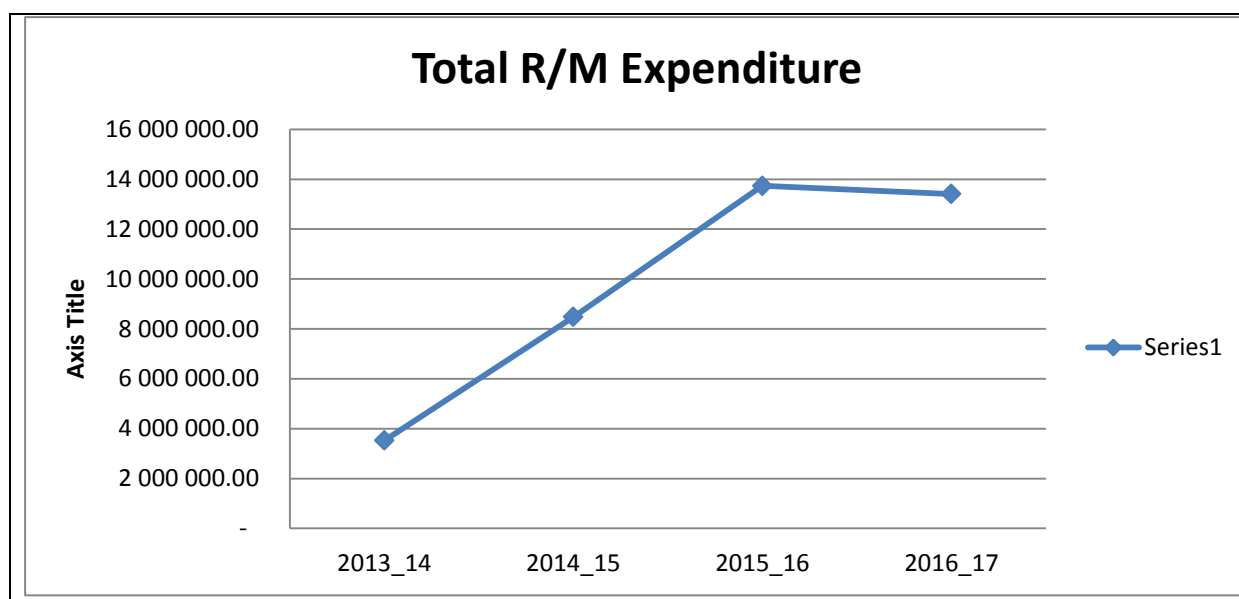
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



The Graph shows the movement of Capital Expenditure from the financial year 2013-2014 to the financial year 2016-2017.



The Graphs above and below show the estimated increase of total grants receipts and expenditure for repairs and maintenance for Senqu Municipality over the MTEF



Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Introduction to Spending against Capital Budget

- Capital expenditure relates mainly to construction projects that will have lasting value over many years.
- Capital expenditure is funded from grants, and the municipality's capital replacement reserve.

TABLE: SENQU MUNICIPALITIES CAPITAL ACQUISITION PROGRAMME

EC142 Senqu - Capital expenditure on new assets by asset class							
Description		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	ACTUAL 2014- 2015	Budget Year 2015/16	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +1 2016/17	Budget Year +2 2017/18	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class		New	Renew	New	Renew	New	Renew
Infrastructure	16 155 996	15 635 750	12 215 000	25 457 340	3 507 000	30 484 980	-
Infrastructure - Road transport		8 512 840	9 000 000	17 767 490	-	28 634 980	-
Roads, Pavements & Bridges	5 073 214	5 474 534	9 000 000	12 967 490	-	21 554 980	-
Storm water	7 944 790	3 038 306	-	4 800 000	-	7 080 000	-
Infrastructure - Electricity		1 271 000	3 215 000	2 460 000	3 507 000	1 850 000	-
Generation		-	-	-	-	-	-
Transmission & Reticulation	3 022 215	1 271 000	171 000	1 610 000	1 297 000	1 850 000	-
Street Lighting		-	3 044 000	850 000	2 210 000	-	-
Infrastructure - Water		-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-
Water purification		-	-	-	-	-	-
Reticulation		-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-
Reticulation		-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-
Infrastructure - Other		5 851 910	-	5 229 850	-	-	-
Waste Management	115 777	5 851 910	-	5 229 850	-	-	-
Transportation		-	-	-	-	-	-
Gas		-	-	-	-	-	-
Other		-	-	-	-	-	-

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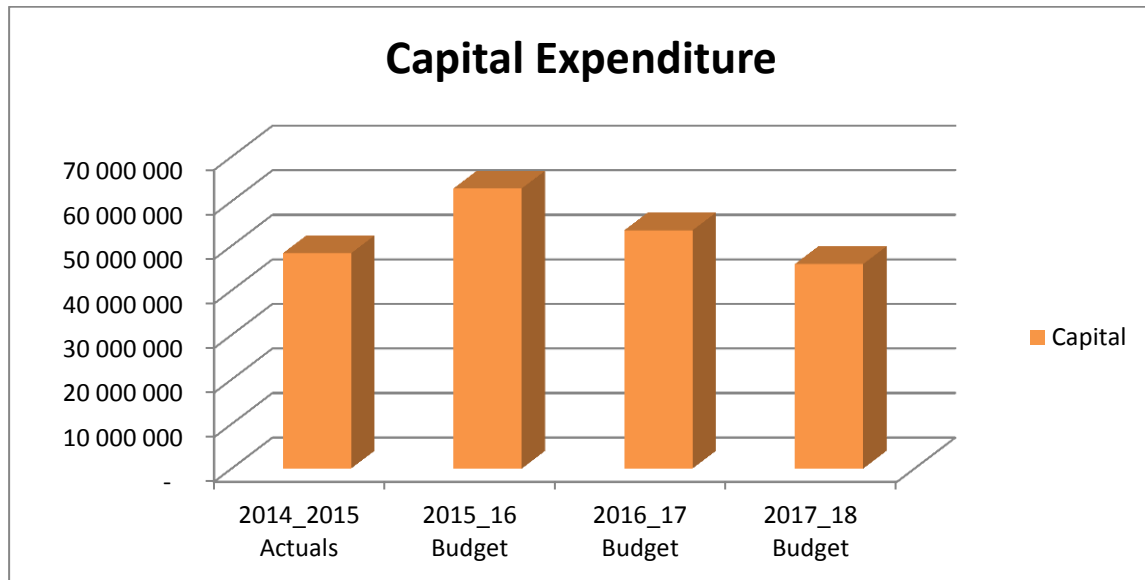
Description		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	ACTUAL 2014- 2015	Budget Year 2015/16	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +1 2016/17	Budget Year +2 2017/18	Budget Year +2 2017/18
<u>Capital expenditure on new assets by Asset Class/Sub-class (Cont.)</u>		New	Renew	New	Renew	New	Renew
Community	12 532 922	18 315 050	3 750 000	12 391 259	1 500 000	10 481 919	-
Parks & gardens	135 708	500 000	-	-	-	-	-
Sportsfields & stadia	11 518 405	5 582 050	-	5 411 850	-	5 850 900	-
Swimming pools		-	-	-	-	-	-
Community halls		7 733 000	2 500 000	-	1 500 000	-	-
Libraries		-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-
Security and policing		-	-	-	-	-	-
Buses		-	-	-	-	-	-
Clinics		-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-
Cemeteries	878 808	4 500 000	1 000 000	6 979 409	-	4 631 019	-
Social rental housing		-	-	-	-	-	-
Other		-	250 000	-	-	-	-

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Description		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	ACTUAL 2014- 2015	Budget Year 2015/16	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +1 2016/17	Budget Year +2 2017/18	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class (Cont.)		New	Renew	New	Renew	New	Renew
Heritage assets		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Other assets	19 642 365	11 024 100	1 950 000	9 381 140	1 250 000	4 958 490	-
General vehicles	5 152 369	1 560 000	-	860 000	-	300 000	-
Specialised vehicles		1 000 000	-	-	-	-	-
Plant & equipment	1 024 964	1 925 000	-	5 285 000	-	1 275 360	-
Computers - hardware/equipment	1 624 043	1 264 000	-	585 440	-	531 146	-
Furniture and other office equipment	1 027 591	982 000	-	718 000	-	814 933	-
Abattoirs		-	-	-	-	-	-
Markets		-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-
Other Buildings	10 413 398	1 860 000	1 950 000	-	1 250 000	-	-
Other Land	400 000	400 000	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-
Other		2 033 100	-	1 932 700	-	2 037 050	-
Agricultural assets		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
Intangibles		-	-	-	-	-	-
Total Capital Expenditure on new assets	48 331 283	44 974 900	17 915 000	47 229 739	6 257 000	45 925 389	-

5.5 CAPITAL EXPENDITURE

The following graph indicates the Capital Expenditure over the next 3 years



5.6 SOURCES OF FINANCE

The table below shows the sources of finances to be used for Capital Acquisitions for Senqu Municipality. It must be noted that the municipality mainly uses the MIG Grant Funding and its Capital Replacement Reserves to fund capital acquisitions:

Description	2014/2015							2013/2014
R thousand	Original Budget	Budget Adjustments (in terms of MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Funded by:					-	-	-	
National Government	44 614 393	-8 101 222	36 513 171	-	-36 513 171	-	-	20 143 049
Provincial Government	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
Transfers recognised - capital	44 614 393	-8 101 222	36 513 171	-	-36 513 171	-	-	20 143 049
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	11 591 707	15 445 420	27 037 128	-	-44 078 336	-1	-1	32 557 522
Total Capital Funding	56 206 100	7 344 199	63 550 299	-	-63 550 299	-	-	52 700 572

5.7 CAPITAL SPENDING ON PROJECTS

The following table aims to highlight the infrastructure assets and progress regarding these assets during the financial year 2014 /2015

Project	Amount
Construction of Gravel Roads in Ward 7,8,9 and 12, Phase 4A	2 124 367.37
Flood lights at Sterkspruit Sport fields	109 436.06
Floods lights at Sterkspruit Stadium	2 576 412.10
Construction of Access Roads in Ward 1, 3, 4 and 19	1 335 423.37
Construction of Sport field in Kwa Gcina	1 474 910.92
Construction of Sport field in Naledi	1 327 191.05
Sterkspruit Landfill Site	115 776.84
Wards 3-Box Culvert, 4-Pedestrian Bridge, 5-Access Road	216 766.23
Construction of pedestrian bridge in Boomplaas ward 4	652 694.00
Construction of ward 3 culvert crossing Hobobeng ward 3	1 025 530.00
Wards 15-Access Road, 16-Paving in Rhodes	176 949.75
Brick Paving of Internal Streets in Ward 16 Rhodes	4 982 001.00
Construction of Gravel Roads in Ward 15	380 630.60
Ward 19 Access Road	46 600.28
Brick Paving of Internal Streets in Ward 19	1 099 707.00
Construction of New Community Hall in Ward 3	233 375.15
Renovations of Hershel Community Hall	135 715.06
Senqu Cemeteries Phase 3	700 219.11
Fencing of Lady Grey Cemetery	46 983.80
Construction of Animal Pound Lady Grey	38 498.36
Extension of Existing Municipal Offices and Finance Department	7 127 650.13
Establishment of New Park in Nkululeko township, Barkly East	97 210.00
Renovations Traffic Test Station Barkly East	1 613 279.62
Refurbishment of Barkly East Sport field	4 931 646.24
Lady Grey Weighbridge	475 440.39
Repair and Renovation of Sterkspruit Municipal Offices	655 139.85
Road Repair and Resealing - Lady Grey	76 846.00
Gravel Roads Ward 3	68 298.25
Gravel Roads Ward 4	48 335.49
Community Hall in Ward 18	271 797.82
Community Hall Ward 9	153 833.51
Community Hall Ward 12	153 833.51

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Project	Amount
Repair, Resealing, Concrete block paving & Storm water Channelling for streets in Lady Grey Ward 14	211 500.00
Barkly East Stadium Lighting in Ward 16	1 178 009.00
Rehabilitation of Cemetery Ward 3	87 737.02
Rehabilitation of Cemetery Ward 6 - Miamli	43 868.51
Barkly East Street light	101 438.34
Lady Grey Municipal Parking Bay	400 000.00
Electricity Infrastructure	2 920 776.52
Civil Infrastructure	17 714.66

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Introduction to Cash Flow Management and Investments

Having displayed exceptionally good financial management and investment practices, it must be noted that the municipality is currently experiencing an extremely favourable cash flow and finds itself in a position to meet its long and short term commitments in a timely manner. The council of the municipality is regarded as the trustee of the public revenues, which it collects and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently. Under these circumstances, the Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account fully to the community in respect of these investments. The overall responsibility of investments lies with the Municipal Manager. However, it must be noted that the day-to-day handling of investments remains the responsibility of the Chief Financial Officer or his/hers delegates.

As part of the Cash Management Programme, the Chief Financial Officer prepares an annual estimate of the municipality's cash flow divided into calendar months and updates this estimate on a monthly basis. This estimate shall indicate when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated, and when (if applicable) either long-term or short-term debt must be incurred.

5.8 CASH FLOW

The table that follows will detail comparisons regarding Senqu Municipalities Cash Flow for 2014/15 financial year

SENQU MUNICIPALITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	34 262 930	22 034 570	12 228 359	55%
Government	158 440 654	158 993 480	(552 827)	0%
Interest	10 511 716	7 048 418	3 463 298	49%
Dividends	-	-	-	
Payments				
Suppliers and Employees	(132 126 485)	(166 917 536)	34 791 051	-21%
Finance charges	(1 340 717)	(1 639 149)	298 432	-18%
Transfers and Grants	(479 587)	(483 000)	3 413	-1%
NET CASH FROM/(USED) OPERATING ACTIVITIES	69 268 510	19 036 784	50 231 726	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	316 074	-	316 074	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(48 442 830)	(63 550 299)	15 107 469	-24%
NET CASH FROM/(USED) INVESTING ACTIVITIES	(48 126 756)	(63 550 299)	15 423 544	

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SENQU MUNICIPALITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	120 330	2 511	117 819	4693 %
Payments				
Repayment of borrowing	(792 197)	(791 775)	(422)	0%
NET CASH FROM/(USED) FINANCING ACTIVITIES	(671 866)	(789 264)	117 397	
NET INCREASE/(DECREASE) IN CASH HELD	20 469 888	(45 302 779)	65 772 667	
Cash and Cash Equivalents at the beginning of the year	162 989 955	162 989 955	-	0%
Cash and Cash Equivalents at the end of the year	183 459 842	117 687 176	65 772 666	56%

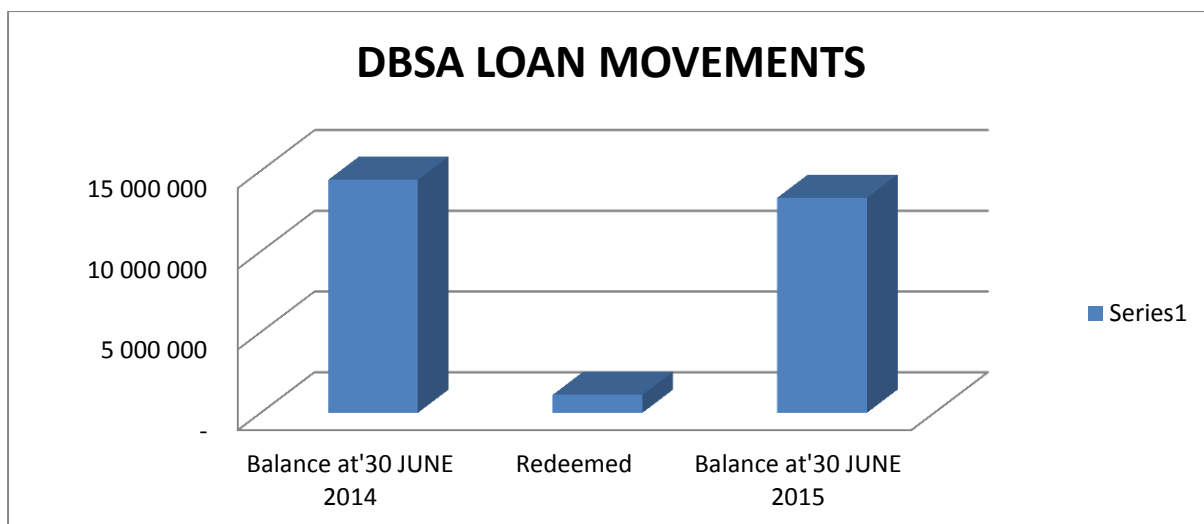
5.9 BORROWING FROM INVESTMENTS

Introduction to Borrowing and Investments

The Municipality currently has 2 long term borrowing commitments both payable to the Development Bank of South Africa.

One loan relates to the extension of the Senqu Municipality office building and the second loan relates to the purchase of electrical infrastructure to reduce electricity losses and improve service delivery.

Table: DBSA LOAN MOVEMENTS



5.10 PUBLIC PRIVATE PARTNERSHIPS

Public Private Partnerships

Council has not entered into any private public partnerships during this financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

Introduction to Supply Chain Management

The Council and management remain committed to ensuring that all SCM legislation and regulations are complied with in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM policy has been reviewed and approved by council on the 30th of May 2014 as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are attending

National Treasury approved training to ensure that they meet the prescribed minimum competency levels relating to SCM.

Various other control measures are also being implemented to ensure that SCM practices are effected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

5.12 GRAP COMPLIANCE

Introduction to GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The Municipality is currently in full compliance with all provisions of GRAP.

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet.

STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
Directive 11	<p>Changes in Measurement Bases following Initial Adoption of Standards of GRAP</p> <p>This Directive can be applied when a Municipality elects to change the measurement bases selected for certain assets on the initial adoption of Standards of GRAP.</p> <p>No significant impact is expected as the Municipality no intention has of changing its measurement bases.</p>	1 April 2015
GRAP 18 (Original – Feb 2011)	<p>Segment Reporting</p> <p>The objective of this Standard is to establish principles for reporting financial information by segments.</p> <p>No significant impact is expected as information to a large extent is already included in the appendices to the financial statements which do not form part of the audited financial statements.</p>	1 April 2015
GRAP 20 (Original – June 2011)	<p>Related Party Disclosure</p> <p>The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.</p> <p>The Municipality resolved to formulate an accounting policy based on the disclosure requirements of GRAP 20. The information is therefore included in the financial statements.</p>	Unknown

Standard	Description	Effective Date
GRAP 32 (Original – Aug 2013)	Service Concession Arrangements: Grantor The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity. No such transactions or events are expected in the foreseeable future.	Unknown
GRAP 105 (Original – Nov 2010)	Transfer of Functions Between Entities Under Common Control The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. No significant impact expected as no such transactions or events are expected in the foreseeable future.	1 April 2015
GRAP 106 (Original – Nov 2010)	Transfer of Functions Between Entities Not Under Common Control The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. No significant impact expected as no such transactions or events are expected in the foreseeable future.	1 April 2015
GRAP 107 (Original – Nov 2010)	Mergers The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger. No significant impact expected as no such transactions or events are expected in the foreseeable future.	1 April 2015

Standard	Description	Effective Date
GRAP 108 (Original Sept 2013)	Statutory Receivables – The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 109	Accounting by Principles and Agents The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
IGRAP 11	Consolidation - Special Purpose Entities (SPE) The objective of this Interpretation of the Standard is to prescribe under what circumstances an entity should consolidate a SPE. No significant impact is expected as the Municipality does not have any SPE's at this stage.	1 April 2015
IGRAP 12	Jointly Controlled Entities non-monetary contributions The objective of this Interpretation of the Standard is to prescribe the treatment of profit/loss when an asset is sold or contributed by the venturer to a Jointly Controlled Entity (JCE). No significant impact is expected as the Municipality does not have any JCE's at this stage.	1 April 2015

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Standard	Description	Effective Date
IGRAP17	<p>Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset</p> <p>This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.



CHAPTER 6

AUDITOR GENERAL AUDIT FINDINGS

CHAPTER 6:

AUDITOR GENERAL AUDIT FINDINGS

Introduction

NOTE: This represents the first draft of this report and as such it must be noted that the Auditor General's Report for 2014/2015 has not yet been received. When this is received this will be made available to the Audit Committee and management for scrutiny, comment and further action. The Audit Action Plan 2014/2015 will also be developed as required following receipt of this document.

These issues will be formally addressed by the Audit Committee (with input from directors) in the subsequent draft of this Annual Report. The data for both the 2013/2014 and the 2014/2015 years are required to be provided.

COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS 2013/2014

6.1 AUDITOR GENERAL REPORTS YEAR 2013/2014

Auditor-General Report on Service Delivery: June 2014 (Previous Financial Year)

AUDITOR-GENERAL REPORT SERVICE DELIVERY : JUNE 2014		
	Audit Report Status*:Clean Audit Report with Emphasis of Matter	
#	Non-Compliance Issues: Emphasis of Matter	Remedial Action Taken
3	<p>Paragraph Number 8.</p> <p>“Permits for landfill sites”</p> <p>As disclosed in note 50 to the financial statements, the municipality had not obtained permits for landfill sites operated, as required by Section 24G of the National Environmental Management Act 1998, (Act No. 107 of 1998). The municipality is awaiting the outcome of its application for these permits.</p>	<p><u>Recommended</u></p> <p>Permits are required to be obtained for all land fill sites operated. Applications are made and EIA's completed, however results dictate suitability or not and further action is often required. Timing issues are often a concern for approval and permits and are often delayed through no fault of the municipality but due to evaluation processes – this in turn affecting the relevant status.</p>

“Clean Report with Emphasis of Matter”

The financial statements are fairly presented as it reflects the Financial Position, Financial Performance, Cash Flow of Senqu Municipality for the year ended 30 June 2014 with all material respect, in accordance with GRAP and the requirements of MFMA and DORA.

COMPONENT B: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS 2014/2015

6.2 AUDITOR GENERAL REPORT: YEAR 2014/2015

Auditor General's Opinion for 2014/2015

AUDITOR-GENERAL REPORT SERVICE DELIVERY : JUNE 2015		
	Audit Report Status*:Clean Audit Report with Emphasis of Matter	
#	Non-Compliance Issues: Emphasis of Matter	Remedial Action Taken
1	<p>Paragraph Number 8.</p> <p>“Permits for landfill sites”</p> <p>As disclosed in note 51 to the financial statements, the municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of Section 24 (g) of the Environmental Conservation Act, 1997.</p>	<p><u>Recommended</u></p> <p>The Municipality is in a process of conducting Environmental Impact Assessments for the development of new solid waste sites, progress was last received through email dated 16 March 2015 from Sektor consulting engineers and Aurecon and progress was reported as follows:</p> <p>Rossouw solid waste site ; The Environmental Impact Assessment scoping report was accepted by Department of Environmental Affairs; Terreco Environmental prepared the draft Environmental Impact report for public review; The draft Environmental Impact report was sent to all stakeholders except residents of Rossouw for review; Senqu municipality has been requested to intervene and assist the service provider as the matter delays the EIA process;</p>

AUDITOR-GENERAL REPORT SERVICE DELIVERY : JUNE 2015 (cont.)		
Audit Report Status*:Clean Audit Report with Emphasis of Matter		
#	Non-Compliance Issues: Emphasis of Matter	Remedial Action Taken
	<p>... continued from previous page</p> <p>“Permits for landfill sites”</p> <p>As disclosed in note 51 to the financial statements, the municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of Section 24 (g) of the Environmental Conservation Act, 1997.</p>	<p>Rhodes solid waste site ; The Environmental Impact Assessment scoping report was submitted to Department of Environmental Affairs however, it was not approved as the Ratepayers of Rhodes objected to the solid waste site. A meeting was held between the Department of Environmental Affairs, Senqu Municipality and Sector engineers in November 2014 to discuss DEA's concerns and the response from the ratepayers; The revised Application was drafted and submitted to Senqu for approval in February 2015.</p> <p>Sterkspruit solid waste site ; Land for development of a proposed landfill site in Sterkspruit was identified; A public participating process meeting for the EIA phase was scheduled for 24 June 2014. After unsuccessful meeting with community Nongongo, Nuku Inc was contacted with regards to the expropriation process followed. Nongongo Nuku Attorneys was instructed to transfer the land to the municipality and create a trust fund to be used to settle any valid claims against the land; the said attorneys indicated on the 23 February 2015 that the land surveyor is looking for a hard copy of the consent subdivision as given by the local municipality to include as part of the documentation for submission to the Surveyor General which was subsequently submitted.</p>

“Clean Report with Emphasis of Matter”

The financial statements were presented fairly, in all material respects, the financial position of the Senqu Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

Comments on the MFMA Section 71 Responsibilities

It is to be noted that Senqu Municipality is currently meeting all timeframes regarding the s71 reporting to National Treasury. Historically they have been commended for having one of the best s71 reporting submissions within the Eastern Cape Province.



GLOSSARY AND APPENDIXES

**INCLUSIVE OF SERVICE PROVIDERS
PERFORMANCE REPORTING**

GLOSSARY

Accessibility Indicators	Explore whether the intended beneficiaries are able to access services or outputs
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within those particular areas. If not provided it may endanger the public health and safety or the environment
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs
Distribution indicators	The distribution of capacity to delivery services.

GLOSSARY CONT.

Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key Performance Indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally
Impact	The results of achieving specific outcomes, such as reducing poverty and reducing jobs
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans
National Key Performance Areas	<ul style="list-style-type: none"> • Service delivery & Infrastructure • Economic development • Municipal transformation and institutional development • Financial viability & management • Good governance & community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY CONT.

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic terms for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timelines, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines "vote" as</p> <ul style="list-style-type: none"> a) One of the main segments into which a budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality, and b) That which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

APPENDIX A

COUNCILLORS, COMMITTEES A& COUNCIL ATTENDANCE					
COUNCIL MEMBERS	FULL TIME/ PART TIME	COMMITTEES ALLOCATED	*WARD AND/OR PARTY REPRESENTED	% COUNCIL MEETINGS ATTENDANCE	% APOLOGIES FOR NON-ATTENDANCE
				%	%
N.Y Mtyali – Mayor	Full Time	EXCO	Party Representative	100%	
M.W. Mpelwane	Part Time	Technical Services & EXCO	Party Representative	70%	30%
A.P. Kwinana	Part Time	MPAC	Party Representative	80%	20%
S.S Tindleni	Part Time	TECHNICAL Services	Party Representative	0%	10%
G.N. Mbonyana	Part Time	Community Services& EXCO	Party Representative	70%	30%
JOB Constable	Part Time	BTO & EXCO	Party Representative	90%	10%
N.R. Nthako	Part Time	Corporate Services	Party Representative	80%	20%
I.Mosisidi	Part Time	Community Services	Party Representative	70%	30%
G.S. Mvunyiswa	Part Time	Technical Services	Party Representative	100%	
M.A. Mshasha	Part Time	MPAC	Party Representative	60%	40%
I.M. Elia	Part Time	MPAC	Party Representative	70%	30%
M.A. Mangali	Part Time	MPAC	Party Representative	50%	50%
A.H. Sobhuza	Part Time	Community Services	Party Representative	80%	20%
B.S. Majodina	Part Time	BTO	Ward Councillor – Ward 1	80%	20%
P.G. Key	Part Time	Technical Services	Ward Councillor – Ward 2	40%	60%
N. Nombula	Part Time	IPME	Ward Councillor – Ward 3	80%	20%
N.M. Kwinana	Part Time	EXCO & Corporate Services	Ward Councillor – Ward 4	80%	20%
J. Lamani	Part Time	Community Services	Ward Councillor – Ward 5	70%	30%
N.C Mraji	Part Time	IPME	Ward Councillor – Ward 6	90%	10%

APPENDIX A (CONT.)

COUNCILLORS, COMMITTEES A& COUNCIL ATTENDANCE					
COUNCIL MEMBERS	FULL TIME/ PART TIME	COMMITTEES ALLOCATED	*WARD AND/OR PARTY REPRESENTED	% COUNCIL MEETINGS ATTENDANCE	% APOLOGIES FOR NON-ATTENDANCE
M. Gojo	Part Time	BTO	Ward Councillor – Ward 7	80%	20%
M.G. Moeletsi	Part Time	Community Services	Ward Councillor – Ward 8	100%	
P.A. April	Part Time	IPME	Ward Councillor – Ward 9	80%	20%
S. Mfisa	Part Time	BTO	Ward Councillor – Ward 10	60%	40%
M.N. Ngendane	Part Time	Community Services	Ward Councillor – Ward 11	80%	20%
M.P. Bingwa	Part Time	IPME	Ward Councillor – Ward 12	90%	10%
L.M. Tokwe	Part Time	IPME	Ward Councillor – Ward 13	70%	30%
M.J. Mjali	Part Time	Technical Services	Ward Councillor – Ward 14	90%	10%
S.S. Ndzongana	Part Time	MPAC	Ward Councillor – Ward 15	70%	30%
M. Mafilika	Part Time	IPME & EXCO	Ward Councillor – Ward 16	60%	40%
P.N August - Speaker	Full Time	Speaker	Ward Councillor – Ward 17	90%	10%
B. Ngogodo	Part Time	Technical Services	Ward Councillor – Ward 18	90%	10%
N.C. Motemekwana	Part Time	Corporate Services	Ward Councillor – Ward 19	100%	
R.M Joubert	Part Time	Corporate Services	Party Representative DA	80%	20%
I.H. Van Den Walt	Part Time	BTO	Party Representative DA	90%	10%
S. Mziki	Part Time	MPAC	Party Representative	70%	30%
M.J. Sereba	Part Time	EXCO & Corporate Services	Party Representatives	90%	10%
M. Senoamali	Part Time	IPME	Party Representative UDM	30%	70%

APPENDIX B

COMMITTEES & COMMITTEE PURPOSES

Committees (other than Mayoral /Executive Committee) and Purpose of Committees	
Municipal Committees	Purpose of Committee
Audit committee	Administrative Oversight
Municipal public accounts committee	Oversight
Remuneration committee	Remuneration Issues
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council

APPENDIX B

COMMITTEES & COMMITTEE PURPOSES (CONT)

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Corporate & Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
IPME Committee	To discuss, recommend and dealing with council related business.
Occupation Health & Safety Committee	To carry out and discuss all the OHS issues of the Council
Employment Equity Committee	To carry out and discuss all the EE issues of the Council

APPENDIX C

THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Director/Manager (state title and name)
Financial	Chief Financial Officer: Mr C Venter
Technical Services	Director: Mr R Crozier
Integrated Planning, Monitoring & Evaluation	Director: IPME Ms P L Bushula
Community Services	Director: Ms C L N Gologolo
Corporate Services	Director: Mr T E Wonga

APPENDIX D

FUNCTIONS OF MUNICIPALITY/ ENTITY

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	Function Applicable to Municipality Yes/No	Function applicable to Entity Yes/No
Constitution Schedule 4, Part B functions		
Air Pollution	No	N/A
Building Regulations	Yes	N/A
Child care facilities	No	N/A
Electricity and gas reticulation	Yes	N/A
Firefighting services	No	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal Planning	Yes	N/A
Municipal Health Services	No	N/A
Municipal Public Transport	No	N/A
Municipal Public Works only in respect of the needs of municipalities to administer functions specifically assigned to them under this Constitution or any other law	Yes	N/A
Pontoons, ferries , jetties, piers & harbours, excluding the regulation of international & national shipping & matters related thereto	No	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestics waste water and sewage disposal systems	Yes	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public area	Yes	N/A

APPENDIX D (CONT.)

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	Function Applicable to Municipality Yes/No	Function applicable to Entity Yes/No
Constitution Schedule 4, Part B functions		
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	Yes	N/A
Licencing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic & Parking	Yes	N/A

APPENDIX E

WARD REPORTING

PUBLIC MEETINGS						
Name and purpose of meeting	Date of meeting	Number of participating councillors /ward members	No. of participating Municipal officials / Administrators	Number of Community attending	Issues addressed (Yes /no)	Dates and manner of feedback given to the community
Mayoral Outreach (Public Consultation)	16/05/14	10 Participants	10 Participation	140	Yes	-
	31/10/14	4 Participants	3 Officials	118	Yes	-
	4/11/14	7 Participants	4 Officials	118	Yes	-
	6/11/14	3 Participants	1 Official	91	Yes	-
	11/11/14	6 Participants	3 Officials	255	Yes	-
	18/11/14	12 Participants	9 Officials	522	Yes	-
	19/11/14	10 Participants	4 Officials	795	Yes	-
	20/11/14	3 Participants	3 Officials	173	Yes	-
	25/11/14	2 Participants	1 Official	71	Yes	-
	18/05/15	5 Participants	4 Officials	181	Yes	-
	19/05/15	8 Participants	5 Officials	270	Yes	-
	20/05/15	3 Participants	3 Officials	177	Yes	-
						-
						-
Local Round Table	10/09/14	16 Participants	2 Officials	5	Yes	-
	01/12/14	8 Participants	5 Officials	31	Yes	-
	28/05/15	14 Participants	2 Officials	44	Yes	-

PUBLIC MEETINGS CONT.						
Name and purpose of meeting	Date of meeting	Number of participating councillors /ward members	No. of participating Municipal officials / Administrators	Number of Community attending	Issues addressed (Yes /no)	Dates and manner of feedback given to the community
Public Participation Forum	04/12/13	9 Participants	3 Officials	79		-
	18/03/14	23 Participants	4 Officials	148		-
	16/05/14	10 Participants	10 Officials	140		-
						-
	01/12/14	8 Participants	5 Officials	31	Yes	-
	18/03/15	8 Participants	6 Officials	34	Yes	-
	11/06/15	19 Participants	8 Officials	47	Yes	-
Ward Committee meeting	Monthly (for all 19 wards meetings sit on different dates.	All Ward Councillors and Ward Committees	0 Officials	180	Yes	-

PUBLIC MEETINGS (CONT.)						
Name and purpose of meeting	Date of meeting	Number of participating councillors /ward members	No. of participating Municipal officials / Administrators	Number of Community attending	Issues addressed (Yes /no)	Dates and manner of feedback given to the community
Mayoral Outreach (Public Consultation)	4/12/13	9 Participants	3 Participants	79	Yes	-
	18/03/14	23 Participants	4 Participants	148	Yes	
	16/05/14	10 Participants	10 Participation	140	Yes	
Local Round Table	13/09/13	33 Participants	9 Officials	204	Yes	-
Public Participation Forum	04/12/13	9 Participants	3 Officials	79	Yes	-
	18/03/14	23 Participants	4 Officials	148		-
	16/05/14	10 Participants	10 Officials	140		-
Ward Committee meeting	Monthly (for all 19 wards meetings sit on different dates.	All Ward Councillors and Ward Committees	0 Officials	180	Yes	-

APPENDIX F

WARD INFORMATION (TO BE UPDATED)

PROJECTS APPROVED AND IN PROGRESS			
National Project Reference No.	Project name	Expenditure 2014/2015	Balance Available on MIG Approval
EC2013282	Upgrading of Sport Facilities in Sterkspruit	727 161.00	Complete
MIG/EC0432/S/06/07	Construction Solid Waste Site Sterkspruit	131 985.60	1 858 448.93
EC2012145	Construction of Ward 5 Bridge	R 0.00	Complete
EC2013136	Construction of Paved Roads in Wards 19: Fairview PHASE 2	1 644 918.46	Complete
EC2013135	Construction of Paved Roads in Wards 16: Rhodes	5 958 713.03	Complete
EC2013134	Construction of Access Roads in Wards 5: Bebeza, Makhumsha	186 158.20	Complete
EC2013133	Construction of Access Roads in Wards 15: Ezingxengele	764 717.70	Complete
EC2012145	Transwilger Bridge Upgrading	R 0.00	Complete
MIG/EC 4060	Upgrading of Roads in Wards 7, 8, 9 & 12 (Phase IV)	2 876 975.98	Complete
MIG/EC 5053	Senqu Cemeteries (Phase III)	751 311 .21	26 665 691.51
EC2013282	Sterkspruit Sport Field Flood Lighting	3 061 866.90	Complete
EC2013283	Renovation of the Sport Facilities in Barkly East	6 689 805.70	Complete
EC2013284	Construction of culvert motor-way in Ward 3 - Hohobeng	1 133 996.57	Complete
EC2013285	Construction of pedestrian bridge in Ward 4 - Boomplaas	891 440.72	complete
EC2012153	Community Hall - Zakhele	0.00	complete
EC2012145	Ward 5 Bridge	0.00	complete

APPENDIX F (CONT.)

WARD INFORMATION (CONT.)

PROJECTS APPROVED AND IN PROGRESS			
National Project Reference No.	Project name	Expenditure 2014/2015	Balance Available on MIG Approval
EC2012268	Roads Ward 19	2 662 902.08	Complete
	Construction of Community Hall: Makalakaleng	266 047.67	Complete
EC2012269	Roads Ward 01	130 901.87	Complete
EC2012270	Roads Ward 03	77 860.00	2 364 910.95
EC2012271	Roads Ward 04	55 102.46	1 666 356.66
EC2013288	Sterkspruit Taxi & Hawker Facilities Phase 111	0.00	complete
	Over Expenditure	986 072.38	
	Project Management Unit (PMU) 2013 / 14	1 791 000.00	-
		30 788 937.53	32 555 408.05

APPENDIX G

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2014/2015 Auditor-General Report on Service Delivery: June 2015 (This will only be received after the first draft of the Section 46/Annual Report and Annual Financial Statements are Audited)

Date of the meeting	Recommendations	Adopted (enter Yes) if not, provide explanation
28 Aug 2014	Internal capacity through skills transference must be built when drafting annual financial statements to minimize the use of consultants.	Ongoing
28 Aug 2014	When electricity losses are calculated the electricity usage by the municipality must be taken into account to avoid overstatement of distribution losses.	Yes
28 Aug 2014	Service delivery must be prioritized through the use of cash balance available.	Yes
28 Aug 2014	Debt collection and credit control policy must be adequately enforced so that the municipality recovers its debts before they become long outstanding.	Ongoing
28 Aug 2014	Control measures must be in place to ensure that budget is frequently monitored in order to prevent major underspending.	Yes
08 Dec 2014	The committee to discuss the structure of the internal audit reports.	No, the committee is still looking into the matter
08 Dec 2014	The SDBIP documents reviewed by the internal audit must also be brought to the audit committee together with a report in future.	Yes
08 Dec 2014	The internal audit to continue with a review of the control dashboard.	Yes
08 Dec 2014	Quarterly performance assessment reports must be submitted to the audit committee whether audited or unaudited.	Yes
08 Dec 2014	The head of internal audit shall decide on the prior period issues that need to be followed up.	Yes
08 Dec 2014	2014/15 financial statements and a section 46 report will be discussed by the committee on 27 August 2015	Yes

/Cont.....

Date of the meeting	Recommendations	Adopted (enter Yes) if not, provide explanation
16 Feb 2015	The municipality will give training to the internal audit on how to take the minutes.	No, will be done in August 2015
16 Feb 2015	The municipality should use National Treasury framework to compile the risk register.	Yes
16 Feb 2015	Wording of certain risks should be changed to reflect the correct meaning in the risk register. As part of risk management, the management must share significant issues with the internal audit unit.	Risk maturity is still work in progress.
16 Feb 2015	The changes to the internal audit charter were approved after recommended amendments.	Yes
16 Feb 2015	The financial statements of the municipality do not have a history of material misstatements and adjustments and the municipality has obtained a clean audit which shows that the risk is very low on the financial statements. Therefore, the internal audit plan must be revised and this project be withdrawn as the internal audit work should be risk based.	Yes
16 Feb 2015	A compliance register should also include SPLUMA, environmental issues, occupational health and safety (OHS) issues as well as the employment equity acts.	Compliance register is still work in progress
16 Feb 2015	When conducting quarterly performance assessments, specific reasons for variance must be recorded when target was not achieved.	Yes
18 May 2015	(a) The column showing resolved risks should be added and it should also be indicated whether the risk was completely resolved / has moved from high risk to medium risk etc. (b) Risks should not be removed from the risk register. (c) Risks should be measured against the objectives of the municipality.	
18 May 2015	Network security internal audit should be undertaken as soon as possible.	No, project was planned for Nov 2015

/Cont.....

Date of the meeting	Recommendations	Adopted (enter Yes) if not, provide explanation
18 May 2015	Resolved to give the management the opportunity to re look at the fleet management findings and report in the next committee meeting.	Yes
18 May 2015	The committee requires time to think around the asset disposal matter raised by the CAE and deferred the decision to the next meeting.	No, matter is still being looked at
18 May 2015	The disagreement relating to the internal audit interpretation of section 28(3) of the municipal performance regulations for section 56 managers will not be discussed at the same meeting and it was deferred for further clarification and research still to be done by the committee.	No, the matter is still being looked at
18 May 2015	Original targets should not be changed during the year but management need to explain if the certain situation arose that is beyond their control.	Ongoing
18 May 2015	The internal audit must report on the 2015/16 SDBIP project in the August 2015 meeting.	Yes

APPENDIX H (TO BE CONFIRMED)

LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING YEAR o)					
R'ooo					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value
TELKOM ISDN PRA Rental	Installation and Rental of Telkom ISDN 30 PRA Service	10-Nov-10	10-Nov-13	Director Corporate Service	R 91 610

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING YEAR o					
R'ooo					
Name of and Description of the Project	Name of the Partner(s)	Initiation Date	Expiry Date	Project Manager	Value 20../20..
No PPP were entered into by council					

APPENDIX I MUNICIPAL ENTITY/SERVICE PROVIDER

MEMBERS OF THE ADJUDICATION COMMITTEE

NAME	OCCUPATION/DEPARTMENT
C.R. Venter	Chief Financial Officer (Chairperson)
R.N. Crozier	Director: Technical & Engineering Services
L Gologolo	Director: Community & Social Services
T.E.Wonga	Director: Corporate & Support Services
P Bushula	Director: IPME
N.C. Sbukwana	SCM Practitioner/Secretary

MEMBERS OF THE SPECIFICATIONS AND EVALUATION COMMITTEE

NAME	OCCUPATION
N Smith	Manager: SCM & Creditors
AK Fourie	Manager: BTO
J Lynch	Manager: Revenue
D Oertel	IT/GIS Administrator
B Viedge	Manager: IPED
M Theron	Manager: Communications
X Mnzilwa	Manager: Governance & Compliance
U Sobudula	Manager: Waste Management
P Oliphant	COO
N Nkopane	Manager: PMU
T van Rensburg	Senior Superintendent (Roads)
T Tobben	Senior Superintendent (Electrical)
T van Zyl	Manager: HR & LRO

SUPPLY CHAIN MANAGEMENT STATISTICS 2014/2015

Tenders awarded	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
	23	27	34		84

Meetings held	1st Quarter	2nd Quarter	3 rd Quarter	4 th Quarter	Total
Adjudication	1	1	2		4
Spec/Evaluation	3	2	5		10

SERVICE PROVIDERS STRATEGIC PERFORMANCE

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality
- Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:
 - The performance of each service provider
 - a Comparison of the performance with targets set for and performances in the previous financial year; and
 - measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

The table below indicates service providers utilized according to functional areas:

OFFICE OF THE MUNICIPAL MANAGER

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Tender 142/2014 Purchase of one new SUV for Mayor	Three year service contract (Sovereign Motors)	Service of vehicle	100%	Done according to agreement	None
Tender 143/2014 Purchase of one new SUV for the Speaker	Three year service contract (Williams Hunt Motors)	Service of vehicle	100%	Done according to agreement	None

CORPORATE SERVICES

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Tender 108/2014 Purchase of a D/Cab 2.5 LDV	Three year service contract (Queenstown Nissan)	Service of vehicle	100%	Done according to agreement	None
Legal Service	Expired (Douglas & Botha)	Ad Hoc Basis as required	70%	No Agreement only cases not finalized.	Follow up regularly

BUDGET AND TREASURY

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Tender 166/2014 Purchase of 1.6 sedan for traffic	Three years maintenance contract	Service of vehicle	100%	Done according to agreement	None
Tender 07/2015	Once off – Purchase of office furniture (Insight Furniture)	Furniture delivered	100%	Delivered according to specifications.	None
Tender 177/2014 Purchase and delivery of IT Equipment	Once off delivery (Aloe Office and Business Equipment)	To deliver the switches according to specifications	90%	Original switches did not meet the specifications.	Switches were returned and correct switches were delivered

TECHNICAL SERVICES

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Tender 108/2014 Different Vehicles purchased for Technical Services	On each vehicle we received a three years maintenance agreement	Service of vehicles	100%	Services done according to agreements	None
Tender 112/2014 Purchase of electricity material	Once off delivery done by Electro Vroomen	Electrical Supplies	100%	Goods delivered according to specifications	None
Tender 118/2014 Purchase of three park homes/mobile homes	Once off delivery done by Lindo Investments	Park homes were delivered late	50%	The Municipality had to wait for more than two months for delivery.	Ensure penalty clause is included in delivery of goods for similar delivery of goods in future.
Tender 122/2014 Installation of Satellite Tracking System	Three year service level agreement (Intengu Communications)	Monthly reporting	70%	Municipality had to first install tracking devices before reporting could be done.	Time frames should be set before awarding similar tenders in future.
Tender 140/2014 and 38/2015 Purchase of Coldmix	Once off purchase (Burwana Asphalt Coldmix)	Delivery of coldmix when required	100%	Delivery was done immediately when required.	None
Tender 170/2014 Appointment of a Consultant: Road Repair & Resealing – Lady Grey	Until project is completed.(GMH Tswelele Consulting)	To meet tender contract requirements.	15% (Project not started yet)	Preparation of tender document was not done according to requirements	Consultant had to redo the contract at his own expense.

COMMUNITY SERVICES

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Tender 108/2014 Purchase of a new LDV	Three year maintenance service agreement	Service of vehicle when needed	100%	Services done according to agreement.	None.
Tender 160/2014 Purchase and delivery of one new tractor	Once off purchase of the tractor no service contract on tractors (CCU Supply & Construction CC)	Once off delivery of the new tractor	100%	Tractor was delivered according to the specifications.	None.

IPME

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Tender 159/2014 Purchase of one new SUV	Three year service maintenance contract	Vehicle Service	100%	Services done according to contract requirements	None
Tender 141/2014 Purchase of a printer	Once off delivery (Aloe Office and Business Equipment)	To do printing according to specifications	100%	Printer was delivered according to specifications	None

MUNICIPAL ENTITY/SERVICE PROVIDER

SUPPLIER PERFORMANCE EVALUATION REPORT 01 July 2014 – 30 June 2015

BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	EXTENSION /VARIATION	COMMENTS/CURRENT STATUS
179/2013	Extension Lady Grey Offices	Director : Technical	Sakhasizwe Architects cc	None	The construction is not progressing as per time frames - +/- 9 weeks behind schedule.
13/2014	Barkly East Traffic Offices	Director : Technical	V/D Walt & du Plessis	None	The construction is still progressing as per project specification.
94/2014	Repair & Renovation Sterkspruit Office	Director : Technical	SKCM	None	The construction is still progressing as per project specification.
115/2013	Weigh Bridge Lady Grey	Director: Technical Services	Massamatic Investments	None	The construction has been done, awaiting Technical Services to install the electricity connection and then the training for Officials will be done.
174/2014	Construction of cemeteries in Senqu Municipal Area /Sitoromo	Director: Community Services	Buwe Civil and Construction	None	Contractor appointed
174/2014	Construction of cemeteries in Senqu Municipal Area/Mbobo	Director: Community Services	Nemani & Sons Construction	None	Contractor appointed
174/2014	Construction of cemeteries in Senqu Municipal Area Mokhesi	Director: Community Services	Buwe Civil and Construction	None	Contractor appointment
174/2014	Construction of cemeteries in Senqu Municipal Area/Madakana	Director: Community Services	Nemani & Sons Construction	None	Contractor appointment

BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	EXTENSION /VARIATION	COMMENTS/CURRENT STATUS
174/2014	Construction of cemeteries in Senqu Municipal Area	Director: Community Services	Buwe Civil and Construction	None	Contractor appointed
170/2014	Appointment of a Consultant: Road Repair & Resealing - Lady Grey	Director: Technical Services	GMH Tswelelo Consulting	None	Consultant appointed
179/2014	Appointment of a Consultant for construction of gravel roads Ward 3	Director: Technical Services	GMH Tswelelo Consulting	None	Consultant appointed
179/2014	Appointment of a Consultant for construction of gravel roads Ward 3	Director: Technical Services	GMH Tswelelo Consulting	None	Consultant appointment
193/2014	Design and Documentation, Construction & Supervision of Community Hall in Ward 9	Director: Community Services	Ighayiya Ddesign Workshop Architects	None	Consultant appointment
194/2014	Design and Documentation & Supervision of Construction of Community Hall Ward 12	Director: Community Services	Ighayiya Ddesign Workshop Architects	None	Consultant appointment
195/2014	Design and Documentation & Supervision of Construction of Community Hall in Ward 18	Director: Community Services	SCK Engineers Maletswai CC	None	Consultant appointment

BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	EXTENSION /VARIATION	COMMENTS/CURRENT STATUS
22/2015	Barkly East Stadium Lightning	Director: Community Services	Ram Electrical	None	Contractor appointed
23/2015	Culvert Box Crossing in Ward 3 - Hoboheng	Director: Community Services	Amandwala Trading	None	Contractor appointed
24/2015	Pedestrian Bridge in Ward 4 - Boomplaas	Director: Community Services	WDR Earthmoving	None	Contractor appointed
25/2015	Extension of Barkly East Cemetery	Director: Community Services	Swimming Fish Trading	None	Contractor appointed.
47/2015	Construction of Community Hall in Ward 9	Director: Community Services	Sizisa Ukukhanya	None	Contractor Appointed
48/2015	Construction of Community Hall in Ward 12	Director: Community Services	Shakes and Xolani CC	None	Contractor Appointed
49/2015	Construction of Community Hall in Ward 18	Director: Community Services	Lady Grey Joinery and Construction CC	None	Contractor Appointed
52/2015	Repair and resealing of Roads in Ward 14 – Lady Grey	Director: Technical Services	Amadwala Trading 363CC	None	Contractor Appointed

BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	EXTENSION /VARIATION	COMMENTS/CURRENT STATUS
55/2015	Spatial Development Framework - Sterkspruit	Director: IPME	Ilizwe Town Planners	None	-
57/2015	Design, construction, documentation and site supervision for Barkly East Lightning for the new extension.	Director: Technical Services	DFR Engineers Pty Ltd	None	Consultant Appointed
59/2015	Design, documentation & Supervision for the rehabilitation of three existing cemeteries.	Director: Community Services	SKC Engineers Maletswai CC	None	Consultant Appointed
82/2015	Registered Professional Architects for the Old Age Home – 2 nd Phase	Director: Corporate Services	Van der Walt & Du Plessis	None	Consultant Appointed

ONCE OFF AND THREE YEAR TENDERS AWARDED - 2014/2015

BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER ONE					
108(1) 2014	Purchase of a new Double Cab with Canopy LDV(Electrical Department)	Director : Technical	Queenstown Nissan	R421230.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
108(2) 2014	Purchase of a new Double Cab LDV (PMU)	Director: Technical	Queenstown Nissan	R408120.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
108(3) 2014	Purchase of a New LDV (LED)	Director :IPME	Dampier Nissan	R239254.32	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
108(4) 2014	Purchase of a New Double Cab LDV (Town Planning)	Director :Technical	Queenstown Nissan	R305520.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
108(6) 2014	Purchase of one New Double Cab LDV (Corporate Services)	Director :Corporate Services	Queenstown Nissan	R305520.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
108(7) 2014	Purchase of one new LDV (Roads)	Director :Technical	Dampier Nissan	R239254.32	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER ONE (cont.)					
108(8) 2014	Purchase of one new LDV (Community Services)	Director :Community Services	Dampier Nissan	R239254.32	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
108(9) 2014	Purchase of on new Double Cab LDV (Community Services)	Director :Community Services)	Queenstown Nissan	R305520.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
110/2014	Purchase and delivery of one double Cab Cherry Picker	Director: Technical	Bloemfontein Motors	R642952.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
112/2014	Purchase of electrical equipment for the electrical upgrade of Zwelitsha Ward 10	Director :Technical	Electro Vroomen	R739654.51	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
114/2014	Small Town Development Plan for Sterkspruit	Director :IPME	Urban Econ	R298126.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
118/2014	Purchase & Delivery of three park homes	Director :Technical	Lindo Investments	R471874.50	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER ONE (cont.)					
122/2014	Purchase of a satellite tracking vehicle system	Director :Technical	Vuza Trading Solutions	R772820.00 (Three year SLA)	First year payment will be done as soon as the tracking system has been installed in all the vehicles.
139/2014	Printing & Delivery of the 2015 Dairies & Calendars	Director :IPME	Intengu Communications.	R96606.09	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
140/2014	Purchase & Delivery of Coldmix	Director : Technical	Burwana Asphalt Cold Mix	R246 000.00	Payment is done according to delivery, per load.
141/2014	Sterkspruit Office Furniture	Director: Finance & IPME	Ukholwayo Trade	R78213.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
	IT Equipment Sterkspruit		First Wave	R98897.40	
	Printer - IPME		Aloe Office	R235980.00	
142/2014	Purchase & Delivery of new SAV for the Mayor	Municipal Manager	Sovereign Motors	R835085.60	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
143/2014	Purchase & Delivery of a new SUV for the Speaker	Municipal Manager	Williams Hunt	R499802.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER ONE (cont.)					
144/2014	Purchase & Delivery of Black refuse Bags	Director: Community Services	IMS Trading & Projects	R45000.00	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
Section 32 Award	IT Internal Audit Review	Municipal Manager	KPMG	R176421.60	Once off payment done after Adjudication Committee awarded the Tender and delivery has been done
Section 24 Award	Purchase of property	Director: Technical	NG Church	R400000.00	Payment will be done on the date of registration, whereas the NG Church is responsible to pay all the fees for registration.
QUARTER TWO					
153/2014	Supply & Delivery of Brush Cutters	Director Community Services	Magnocorp 174/Tufmaster PS	R98 325.00	The Brush Cutters were delivered and paid.
156/2014	Supply & Delivery of an Trailer	Director Community Services	Mbuzone Investment Holdings	R65 000.00	Not yet delivered.

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER TWO (cont.)					
158/2014	Supply & Delivery of furniture	Director: Technical Dept.	Insight Office Furniture	R62 479.98	Furniture delivered and paid.
159/2014	Supply & Delivery of a new SUV	Director: IPME	Seventh Avenue Trading 612CC	R409 394.65	The new SUV was delivered and paid for.
160/2014	Supply & Delivery of one new Tractor	Director: Technical Dept.	CCU Supply & Construction CC	R268 219.20	The new tractor was delivered and paid for.
166/2014	Supply & Delivery of one new 1.6 Sedan - Traffic	Director: Finance Dept.	Queenstown Nissan	R220 362.00	The new sedan for the Traffic Section was delivered and paid for.
168/2014	Purchase of material of Sterkspruit Street Lights	Director: Technical Dept.	Powerrec Pty Ltd	R416 727.00	Material was delivered and paid for.
169/2014	Purchase of material of Senqu Area Street Lights	Director: Technical Dept.	Powerrec Pty Ltd	R228 013.68	Material was delivered and paid for.
177/2014	Purchase & delivery of IT Equipment	Director: Finance Department	Aloe Office & Business Equipment	R160 625.85	The IT Equipment was delivered according to specifications and paid for.

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER TWO (cont.)					
177/2014	Purchase & delivery of IT Equipment	Director: Corporate Services	Life Junkiez	R105 763.90	The IT Equipment was delivered according to specifications and paid for.
177/2014	Purchase & delivery of IT Equipment	Director: Community Services	Life Junkiez	R94 852.74	The IT Equipment was delivered according to specifications and paid for.
177/2014	Purchase & delivery of IT Equipment	Director: Technical Services	Life Junkiez	R39 531.51	The IT Equipment was delivered according to specifications and paid for.
177/2014	Purchase & delivery of IT Equipment	MM Office	Aloe Office & Business Equipment	R71 835.55	The IT Equipment was delivered according to specifications and paid for.
177/2014	Purchase & delivery of IT Equipment	Internal Audit	Aloe Office & Business Equipment	R27 492.88	The IT Equipment was delivered according to specifications and paid for.
177/2014	Purchase & delivery of IT Equipment	Director: Corporate Services	Aloe Office & Business Equipment	R786 991.70	The IT Equipment was delivered according to specifications and paid for.
192/2014	Purchase and Supply of IT Battery Power Supply.	Director: Financial Services	First Wave	R152 371.48	The IT Equipment was delivered according to specifications and paid for.

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER THREE					
6/2015	Provision for Legal Services	Director: Corporate Services	Le Roux INC Attorneys	Different rates	Enter into a service level agreement.
7/2015	Purchase & Delivery of Office Furniture	Director: Finance & MM	Insight Office Furniture	R647 582.70	Delivered according to specifications and complied with local productions requirements.
8/2015	Rental of Municipal Commonage/Lady Grey	Director: Community Services	Different Bidders	R136000.00	Tenders were adjudicated to FAJ Potgieter, A Naude, WM Botha and CC Cloete which related to a rental income for Lady Grey Commonage at R136000.00 per annum.
9/2015	Rental of Municipal Commonage/Barkly East	Director: Community Services	Tintagel Trust (HB v/d Merwe Trustee)	R116 000.00	Tender was adjudicated to Tinatagel Trust that gives the Municipality a rental income for Barkly East Commonage at R116 000.00 per annum.
27/2015	Purchase and Installation of Air Conditioners	Director: Financial Services	Duggie Visser	R21 260.00	Air Conditioners installed according to specifications.
28/2015	3G Licenses/Data Bundles for 3 years	Director: Financial Services	Firstwave Technologies	R56 147.65	The IT software was delivered according to specifications and paid for.

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER THREE(cont.)					
29/2015	Supply and installation of power skirting and network	Director: Financial Services	Firstwave Technologies	R98 498.35	The IT power skirting and network was done according to specifications and paid for.
30/2015	Installation of switches and labelling of network endpoints	Director: Financial Services	First Wave	R86 820.69	The IT installation of switches and labelling of network endpoints were done according to specifications and paid for.
31/2015	Development & Documentation of IT Governance Framework	Director: Financial Services	Price Waterhouse Coopers	R592 800.00	The tender was awarded but the process will only start on 1 July 2015 due to insufficient budget.
32/2015	Printing of Annual Report and IDP	Director: IPME	Amani Communications	R104 196.00	Printing done and paid for.
38/2015	Purchase and delivery of Asphalt Coldmix	Director: Technical Services	Burwana Asphalt Coldmix	R270 000.00	Delivery of asphalt coldmix was done and paid for.
40/2015	Appointment of an events company	Director: IPME	Life Junkiez	Different rates	The Supplier tendered on different rates and will be used when an event must be planned according to availability of budget.

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BID NO	DESCRIPTION OF SERVICE	END-USER/ PROJECT MANAGER	CONTRACTOR/ SERVICE PROVIDER	AMOUNT	COMMENTS/CURRENT STATUS
QUARTER FOUR					
66/2015	Purchase and delivery of furniture for two municipal houses	Director Corporate Services	Siyakwantu Design	R226 774.50	Furniture was delivered and paid for.
76/2015	An online hosted electricity vending system and third party vending	Director Technical Services	Utilities World	R14 6253.98 per month	Will start on 1 July 2015 with electricity vending.
77/2015	Notice Boards	Director: IPME	Bravo Africa	R235 590.00	Delivered and paid for.
80/2015	Purchase & Delivery of Refuse Bins	Director: Community Services	Bravo Africa	R84 400.00	Delivered and paid for.

APPENDIX J (TO BE CONFIRMED)

DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS)		
PERIOD 1 July 2014 to 30 June 2015		
Position	Name	Description of financial interest Nil or provide details
Mayor	Cllr NY Mtyali	Nil
Member/s of Exco	M.W. Mpelwane	Nil
	G.N. Mbonyana	Nil
	J Konstabel	Nil
	N.M. Kwinana	Nil
	M. Mafilika	Nil
Councillors	A.P. Kwinana	Nil
	S.S Tindleni	Zinwe Training Subsistence farming
	N.R. Nthako	Nil
	I.Mosisidi	Nil
	G.S. Mvunyiswa	Nil
	M.A. Mshasha	Nil
	I.M. Elia	Nil
	M.A. Mangali	Nil
	A.H. Sobhuza	Nil
	B.S. Majodina	Nil
	P.G. Key	Amagcina in Business
	N. Nombula	Nil
	J. Lamani	Sinawo Amandla Catering
	N.C Mraji	Nil
	M. Gojo	Nil

APPENDIX J (CONT.)

DISCLOSURES OF FINANCIAL INTERESTS (CONT.)

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS)		
PERIOD 1 July 2014 to 30 June 2015		
Position	Name	Description of financial interest Nil or provide details
Councillors	M.G. Moeletsi	Nil
	P.A. April	Nil
	S. Mfisa	Mfisa Consulting
	M.N. Ngendane	Nil
	M.P. Bingwa	Nil
	L.M. Tokwe	Nil
	M.J. Mjali	Nil
	S.S. Ndzongana	Nil
	P.N August - SPEAKER	Nil
	B. Ngogodo	Nil
	N.C. Motemekwane	Nil
	R.M Joubert	Nil
	I.H. Van Der Walt	Nil
	S. Mziki	Nil
	M.J. Sereba	Herschel People Co-operation limited
	M. Senoamali	Nil
Municipal Manager	MM Yawa	Nil
CFO	CR Venter	Nil
Directors	PL Bushula	Nil
	TE Wonga	Nil
	RN Crozier	Nil
	LNC Gologolo	Nil

APPENDIX K

REVENUE COLLECTION PERFORMANCE BY VOTE

The Table below shows the comparisons between actual and budgeted revenue for the financial year 2014/15 and previous financial years with the Original and Adjusted Budget

R thousand	2014/2015				
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget
Revenue - Standard					
Governance and administration	112 477	3 785	116 263	122 897	6 634
Executive and council	6 907	–	6 907	7 414	507
Budget and treasury office	105 511	2 040	107 551	109 473	1 922
Corporate services	60	1 746	1 805	6 010	4 205
Community and public safety	11 787	7 347	19 134	16 574	(2 560)
Community and social services	4 891	2 416	7 307	3 560	(3 747)
Sport and recreation	5 688	5 597	11 285	12 816	1 531
Public safety	768	(242)	526	168	(359)
Housing	440	(424)	16	30	14
Health	–	–	–	–	–
Economic and environmental services	40 845	(17 201)	23 644	24 555	911
Planning and development	893	2 245	3 138	1 929	(1 209)
Road transport	39 952	(19 446)	20 506	22 626	2 120
Environmental protection	–	–	–	–	–
Trading services	38 256	4 622	42 879	45 231	2 352
Electricity	30 138	950	31 088	37 403	6 315
Water	–	–	–	–	–
Waste water management	–	–	–	–	–
Waste management	8 118	3 672	11 791	7 828	(3 962)
Other	–	–	–	–	–
Total Revenue - Standard	203 366	(1 447)	201 919	209 256	7 337

APPENDIX K (I)

REVENUE COLLECTION BY SOURCE

A Revenue by Source Analysis with explanations regarding material variances can be seen on the table below.

SENQU MUNICIPALITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015 COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET								
Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue By Source								
Property rates	4 521	1 680	6 201	4 607	(1 594)	74.3%	101.9%	4 492
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–
Service charges	23 163	800	23 963	29 279	5 315	122.2%	126.4%	26 052
Rental of facilities and equipment	295	–	295	614	319	208.3%	208.3%	478
Interest earned - external investments	6 000	–	6 000	10 512	4 512	175.2%	175.2%	8 881
Interest earned - outstanding debtors	898	150	1 048	1 970	921	187.9%	219.3%	1 544
Dividends received	–	–	–	–	–	–	–	–
Fines	64	–	64	421	358	662.2%	662.2%	34
Licences and permits	1 208	–	1 208	1 301	93	107.7%	107.7%	1 548
Agency services	2 228	–	2 228	575	(1 653)	25.8%	25.8%	1 956
Transfers recognised - operational	119 988	2 279	122 266	124 358	2 091	101.7%	103.6%	111 527
Other revenue	387	1 746	2 132	7 981	5 849	374.3%	2064.7%	1 824
Gains on disposal of PPE	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	158 751	6 654	165 406	181 616	16 210	2485.7%	114.4%	158 337

APPENDIX L

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG (TO BE CONFIRMED)

Conditional GRANTS 2014/2015	2015 R	2014 R	2013 R
National: Municipal Finance Management (MFMA)	1600000	1550000	1 500 000
National: Municipal Systems Improvement Grant	934000	890000	800 000
National: Neighbourhood Development Partnership Grant			10 154 769
National: Expanded Public Works Program	1976000	2160000	1 857 000
National: Dept. Sport (Youth Development - Sport Fields)	253587	1398033	175 203
Peach & Vegetable Processing			-
Holo Hlahatsi Agricultural Project			103 897
Co-op's Development			-
Prov Gov - Housing (Lady Grey)			-
Prov Gov - Housing (Hillside)			507 727
Implementation Ownership			53 216
Rossouw Agricultural Project			49 582
Alien Vegetation	1908298.55	1523000	-
Plastic Products			90 167
Provincial Roads (Musong Road)			626 675
Greenest Municipality			500 000
Second Economy Regeneration (LED)			109 862
Clean Audit			95 000
Vuna Awards	359 596	470000	
Commonage Management Plan			46 056
Municipal Support Programme			-
Joe Gqabi DM - District Call Centre			-
Libraries	1200000	1200000	1 200 000
Total Government Grants and Subsidies	8 231 481	9 191 033	17 869 153

Conditional Grants for the financial year are listed above and shows amounts for conditions met transferred to revenue.

APPENDIX M – M (I) AND M(II)

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

		Budget year 2014_15		Budget year 2015_16		Budget year 2016_17	
Actuals 2013_14		New	Renew	New	Renew	New	Renew
Infrastructure	16 155 996	15 635 750	12 215 000	25 457 340	3 507 000	30 484 980	-
Infrastructure - Road transport		8 512 840	9 000 000	17 767 490	-	28 634 980	-
Roads, Pavements & Bridges & taxi Ranks	5 073 214	5 474 534	9 000 000	12 967 490	-	21 554 980	-
Storm water	7 944 790	3 038 306	-	4 800 000	-	7 080 000	-
Infrastructure - Electricity		1 271 000	3 215 000	2 460 000	3 507 000	1850 000	-
Generation		-	-	-	-	-	-
Transmission & Reticulation	3 022 215	1 271 000	171 000	1 610 000	1 297 000	1850 000	-
Street Lighting		-	3 044 000	850 000	2 210 000	-	-
Infrastructure - Water		-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-
Water purification		-	-	-	-	-	-
Reticulation		-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-
Reticulation		-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-
Infrastructure - Other		5 851 910	-	5 229 850	-	-	-
Waste Management	115 777	5 851 910	-	5 229 850	-	-	-
Transportation		-	-	-	-	-	-
Gas		-	-	-	-	-	-
Other		-	-	-	-	-	-

		Budget year 2014_15		Budget year 2015_16		Budget year 2016_17	
Actuals 2013_14		New	Renew	New	Renew	New	Renew
Community	12 532 922	18 315 050	3 750 000	12 391 259	1 500 000	10 481 919	-
Parks & gardens	135 708	500 000	-	-	-	-	-
Sportsfields & stadia	11 518 405	5 582 050	-	5 411 850	-	5 850 900	-
Swimming pools		-	-	-	-	-	-
Community halls		7 733 000	2 500 000	-	1 500 000	-	-
Libraries		-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-
Security and policing		-	-	-	-	-	-
Buses		-	-	-	-	-	-
Clinics		-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-
Cemeteries	878 808	4 500 000	1 000 000	6 979 409	-	4 631 019	-
Social rental housing		-	-	-	-	-	-
Other		-	250 000	-	-	-	-
Heritage assets		-	-	-	-	-	-
Buildings		-	-	-	-	-	-
Other		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Housing development		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other assets	19 642 365	11 024 100	1 950 000	9 381 140	1 250 000	4 958 490	-
General vehicles	5 152 369	1 560 000	-	860 000	-	300 000	-
Specialised vehicles		1 000 000	-	-	-	-	-
Plant & equipment	1 024 964	1 925 000	-	5 285 000	-	1 275 360	-
Computers - hardware/equipment	1 624 043	1 264 000	-	585 440	-	531 146	-
Furniture and other office equipment	1 027 591	982 000	-	718 000	-	814 933	-
Abattoirs		-	-	-	-	-	-
Markets		-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-
Other Buildings	10 413 398	1 860 000	1 950 000	-	1 250 000	-	-
Other Land	400 000	400 000	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-
Other		2 033 100	-	1 932 700	-	2 037 050	-

/cont. from previous page

		Budget year 2014_15		Budget year 2015_16		Budget year 2016_17	
Actuals 2013_14		New	Renew	New	Renew	New	Renew
Agricultural assets		-	-	-	-	-	-
List sub-class		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
List sub-class		-	-	-	-	-	-
Intangibles		-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-
Total Capital Expenditure on new assets	48 331 283	44 974 900	17 915 000	47 229 739	6 257 000	45 925 389	-

This table contains a complete Capital Programme for all Municipal Capital Acquisitions including both New and Renewal assets. Sources of funding for each asset are also shown and this funding is cash backed and provision is being made for these types of capital purchases in the municipalities Capital Replacement Reserve.

APPENDIX N

CAPITAL PROGRAMME BY PROJECT YEAR 2014/2015

Capital Additions for the financial year 2014/2015 amounted to R 48 331 283 The following tables show these additions per category and per vote and are being classified as Infrastructure Assets, Loose Assets and Land & Buildings.

Project	Amount
Computer Equipment	1 624 042.59
Plant and Equipment	1 024 964.00
Furniture & Fittings	909 146.44
Office Equipment	118 444.52
Motor Vehicles	5 152 368.87
Buildings	68 773.59
Construction of Gravel Roads in Ward 7,8,9 and 12, Phase 4A	2 124 367.37
Flood lights at Sterkspruit Sport fields	109 436.06
Floods lights at Sterkspruit Stadium	2 576 412.10
Construction of Access Roads in Ward 1, 3, 4 and 19	1 335 423.37
Construction of Sport field in Kwa Gcina	1 474 910.92
Construction of Sport field in Naledi	1 327 191.05
Sterkspruit Landfill Site	115 776.84
Wards 3-Box Culvert, 4-Pedestrian Bridge, 5-Access Road	216 766.23
Construction of pedestrian bridge in Boomplaas ward 4	652 694.00
Construction of ward 3 culvert crossing Hobobeng ward 3	1 025 530.00
Wards 15-Access Road, 16-Paving in Rhodes	176 949.75
Brick Paving of Internal Streets in Ward 16 Rhodes	4 982 001.00
Construction of Gravel Roads in Ward 15	380 630.60
Ward 19 Access Road	46 600.28
Brick Paving of Internal Streets in Ward 19	1 099 707.00
Construction of New Community Hall in Ward 3	233 375.15
Renovations of Hershel Community Hall	135 715.06
Senqu Cemeteries Phase 3	700 219.11
Fencing of Lady Grey Cemetery	46 983.80
Construction of Animal Pound Lady Grey	38 498.36
Extension of Existing Municipal Offices and Finance Department	7 127 650.13
Establishment of New Park in Nkululeko township, Barkly East	97 210.00
Renovations Traffic Test Station Barkly East	1 613 279.62
Refurbishment of Barkly East Sport field	4 931 646.24
Lady Grey Weighbridge	475 440.39
Repair and Renovation of Sterkspruit Municipal Offices	655 139.85
Road Repair and Resealing - Lady Grey	76 846.00

Continued from previous page/...

Project	Amount
Gravel Roads Ward 3	68 298.25
Gravel Roads Ward 4	48 335.49
Community Hall in Ward 18	271 797.82
Community Hall Ward 9	153 833.51
Community Hall Ward 12	153 833.51
Repair, Resealing, Concrete block paving & Storm water Channelling for streets in Lady Grey Ward 14	211 500.00
Barkly East Stadium Lighting in Ward 16	1 178 009.00
Rehabilitation of Cemetery Ward 3	87 737.02
Rehabilitation of Cemetery Ward 6 - Miami	43 868.51
Barkly East Street light	101 438.34
Lady Grey Municipal Parking Bay	400 000.00
Electricity Infrastructure	2 920 776.52
Civil Infrastructure	17 714.66

APPENDIX O

CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2014/2015

PROPERTY, PLANT AND EQUIPMENT 2014_2015	
Land and Buildings	10 813 398
Land	400 000
Buildings	10 413 398
Infrastructure	16 155 996
Main: Roads	5 073 214
Main: Storm Water	7 944 790
Main: Waste Management	115 777
Main: Electricity	3 022 215
Taxi Ranks	-
Community Assets	12 532 922
Sports Fields	11 518 405
Node Development	-
Parks & Gardens	135 708
Cemetery	878 808
Clinics	-
Leased Assets	-
Office Equipment	-
Other Assets	8 828 966
Motor Vehicles	5 152 369
Plant & Equipment	1 024 964
Office Equipment	118 445
Furniture & Fittings	909 146
Loose Equipment	-
Computer Equipment	1 624 043
Specialised Vehicles	-
Security Items	-
Total	48 331 283

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 1	
Mbobo J.S.S	Cracks on walls Water Supply Administration Block Poor Playing Fields Damaged Toilets No Hall
BIKIZANA J.S.S.	Toilets, Water, Sports Ground One block is a mud Structure and Access Roads
WALAZA J.S.S.	Admin Block not in good condition Toilets are falling apart No Sport Grounds, No Furniture
NDOFELA J.S.S.	Mud structure Toilets, Access Roads, Fencing Water Supply, Playing Ground, Admin block
NXASANA S.P.S.	Admin block, Sanitation, Grade R class is falling apart, Sports field. Erection of Security fence Renovations of all classes, Furniture
GOVERNORS DRIFT	Mud structure, Admin block, Fencing Water Supply, Access Roads,
WARD 2	
Qhoboshane, Qhemerha, Telle Junction, Kwa Gcina, Storomo, ST Teresa	Access Roads, Water Supply, Sanitation, Admin Block, Furniture, Fencing, Laboratory, Library

Ward 3 cont.....

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 3	
Ndingishe J.S.S.	5 Additional Classrooms, Access Roads, Water Supply, Admin Block, Library, Laboratories, School Grounds, Fencing
TLOKWENG S.S.S.	Toilets for Teachers, Admin Block, Library, Laboratory.
Mahedi J.S.S.	4 Additional classrooms, Administration Block,
Hohobeng J.S.S. and Mmusong	Cracked walls, roof blown away, major renovations, water supply, Toilets, Network Coverage.
Tlhakong S.P.S.	Water Supply, Sanitation, Administration Block, Sport Grounds, 3 classrooms blown away.
Ekra J.S.S	5 Additional Classrooms, Administration Block, Water Supply, Toilets, Sports field.
Musong J.S.S	Major Renovations, Water Supply, Sanitation, Administration Block, An access Road, Network Coverage.
MPoki S.P.S	Water Supply, Access Roads, No Network Coverage.
WARD 4	
Bongiwe, Buyani, Cebano, Blikana, Jonas Goduka, Hillside, Lufefe, Mkunyazo, Mthabisa, Ndungunya, Ntlangano, Mxokozeli, Penhoek, Vusisizwe.	Water, 12 Schools 8 Schools needs Toilets 8 schools needs access roads All 14 needs sports fields 5 schools needs to be upgraded in terms of electricity 11 schools needs fencing

Ward 5 cont.....

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 5	
Makhumsha, Mabele, Kwabo, Sivumelene, Bebeza, Nomlengana, Dangershoek.	Mud Structures Water Supply Toilets Fencing Sports fields Network Coverage No compliance Certificate issued to those schools with electricity
WARD 6	
HOITA, Majuba, MALGAS, MAPOLO, THEMBALETHU, UMLAMLI, ZINGXENGELE, BONGOLETHU, MONWABISI, PHELANDABA.	Renovations of existing buildings. Playgrounds Water Supply Fencing Access Roads Libraries Laboratories Administration Block
WARD 7	
Nyathela S.S.S	Mud Structure Fencing Sanitation Shortage of Classrooms
TSAKANA S.P.S.	5 Classrooms needs Renovations Sanitation Water Supply Sports fields Fencing
THABA LESOBA	Access Roads Fencing Renovations of 5 Classes Sanitation Water Supply Sports fields

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

St Michaels	Mud Structures Weak Electricity Fencing, Toilets, Water Supply Sports Fields
MBOLEKWA S.P.S	Mud Structures Administration Block Sanitation, Water Supply Sports Fields
EGUGWINI J.S.S.	Toilets and Fencing
MACACUMA S.P.S.	Sports Fields Fencing and Toilets Minor Renovations Water Supply
WARD 8 DID NOT SUBMIT	
WARD 9	
AMAQWATHU JSS	Administration Block
LUVUMELWANO S.S.	Administration Block 10 Classrooms
VOYIZANA SPS	Renovations of 13 Classrooms Administration Block
NGQUBA JSS	Admin Block 4 Classrooms to be added Renovations of 5 Classrooms
JOVELENI S.P.S	Addition of 3 Classrooms
SUNDUZA J.S.S	Addition of 3 Toilets
	Common Challenges For Ward 9 <ul style="list-style-type: none"> - Water Supply - Sanitation - Fencing - Access Roads - Sports Fields - Library, Laboratory - Upgrading of Electricity

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 10 (cont.)	
Bensonvaile JSS	Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ekuzoleni JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ngongodoville SPS	3 New Classrooms Major Renovations (building in the stat of collapsing) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Nkululeko SSS	6 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

Nomzamo (Sterkspruit) JSS	15 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities
Sterkspruit Community	10 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Sterkspruit SSS	25 New Classrooms (Declared that the building cannot be renovated) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Tapoleng JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

Tienbank JSS	5 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
WARD 11	
SCHOOL	CHALLENGES
HERSCHEL VILLAGE JSS	Danger Zone School Electricity wires fallen out of ceiling Renovation Struck by disaster & nothing has happened since No fence Trees damaging school with roots
EZINTATYANENI SP	Administration Block Sanitation Fence Electricity (upgrade) Mud Structure (2) No play grounds
DIBINKONZO JSS	Sanitation Fence Administration Block and Renovations Mud Structure Sport field
MEHLOMAKHULU SSS	Fence Water & Sanitation Renovations & Administration Block Sports Field Furniture for Learners
ST MARYS	Water & Sanitation Access Road Sport Ground School Hall

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

HLANJWA SPS	Administration Block Sport Ground Sanitation Access Roads Mud Structure (2) Fence
MEYI JSS	Mud Structure Sanitation Fence Weak & Faulty Electricity – disaster
MAGUMBU SPS	Sanitation Fence 5 Classrooms cracked all sides Administration Block Weak & Faulty Electricity – disaster Sport Grounds Access road
EBENEZER NYATHI SSS	Sanitation –State of collapse Fencing 2 block (community built) one strongly needs renovation Water Admin Block 3 classroom 1 lab
BAMBOESSPRUIT JSS	Renovations (Whole school) Fencing Sanitation Admin Block Cracked Walls to be fixed Access Roads Sport Grounds Furniture Leaking Roof 2 Classrooms Paving Staffing Erection of a Stoep

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 12 (cont.)	
ENTSIMEKWENI JSS	Minor Renovations Flooring Fencing Access Road Sanitation
NYANISO SPS	Flooring Fencing Water School Grounds
MANXEBA JSS	3 Classrooms Water Fence School Grounds to be constructed Furniture
MNCUNUBENI JSS	5 Classrooms Sanitation & Water Fence Access Road Sport Ground
JOZANA'S NEK JSS	Water Playground Access Road Renovation of Ceiling in 4 classrooms Furniture
JOZANA'S HOEK	Major renovations in 8 classrooms & office Security Fence Play Grounds Access Road Sanitations
MAGWIJI JSS	6 Classrooms Water & Sanitation Playgrounds Fencing Access Road Furniture
MROBONGWANA SPS	Water & Sanitation Playground Access Road Admin Block Furniture

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 12 (cont.)	
HLOMENDLINI JSS	Water & Sanitation Fence Play ground Furniture
MZOMHLE SSS	Water & Sanitation Access Roads Furniture Playgrounds Administration Block
WARD 13	
KHIBA JSS	6 Prefect classes 4 Mud Structures Flooring Water & Sanitation Fencing Furniture Electricity Admin Block
SKISAZANA JSS	Major renovations Flooring Water & Sanitation Roofing Admin Block Fencing Access Road
LUNGISANI SPS	Access Road Water Fencing Sport Ground
MBONISWENI SPS	Fencing Access Road
WITTERBERGEN SPS	Sport Ground Fencing Access Road Attention to be paid to a query next to school
DIPHANA SPS	Mud Structure Sanitation Fence Admin Block Access Road

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 13 (cont.)	
WITTERBERGEN JSS	Principal's Office Fencing Sanitation Access Roads Sport Field Roofing
ZAVA SPS	Flooring Sanitation Prevention of soil erosion
NKOPANE JSS	Fencing Major Renovations Water & Sanitation Sport Field
NOMPUMELELO SSS	Fencing Mud Structure Water & Sanitation Sport Ground Access Road
MDLOKOVANA JSS	Mud Structures Sporting Facilities Sanitation Fencing
WARD 14:	
Rossouw was promised a school 3 years ago	Farm schools need attention
WARD 15	
MZONDEKI SPS	No Buildings Water & Sanitation Access Road Play Grounds Fence
SIZAMULWAZI SPS	Sport Grounds 5 Classrooms
SIJORHA SPS	No Buildings Water & Sanitation Access Road Play Grounds Fence

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 15 (cont.)	
LUYOLO SPS	No Proper Buildings Water & Sanitation Admin Block Access Road Play Grounds
SAKAKUDE JSS	No Buildings Water & Sanitation Access Road Electricity Ceiling Fence
IMPUMELELO SSS	No Buildings Water & Sanitation Access Road Play Grounds Fence Electricity
WARTRAIL	Water & Sanitation Play Grounds
WARD 16	
MALIKHANYE SSS	Sport Grounds Furniture Minor Renovations Fencing
RHODES PS	School is Prefab Structure Toilets
FARM SCHOOLS	
MOSHOESHOE's FORD	Structure falling apart School on Private Property
BARKLY EAST DRC P.S	2 Classrooms Science Class Admin Block Grader R Classroom Toilets Kitchen Office Plot Ground to build school in Fairview

APPENDIX R

DECLARATION OF LOANS & GRANTS MADE BY THE MUNICIPALITY

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: YEAR o				
All Organisation or Person in receipt of Loans*/Grants* provided	Nature of Project	Conditions attached to funding	Value Year o R'ooo	Total Amount committed over previous and future years
GRANTS PAID	Grants in Aid		R 479 587	

APPENDIX T

SECTION 46 REPORT (ATTACHED AS AN ANNEXURE)

NOTE: Performance auditing may sometimes prove challenging in that it is most common to adopt a “black or white” type analysis (which is relevant in many instances). “Performance” and the manner in which “performance is assessed” can be challenging all on its own. In this regard there is a need for “grey” on occasion and indeed both the Performance Regulations and the PMS Policy make provision to entertain and to assess a situation based on the “grey” i.e. making allowances for extenuating circumstances/circumstances beyond ones control.

Under these “grey” circumstances it would be possible to score favourably notwithstanding the fact that a target was not met in the strictest sense. As an example: If the target could not be met due to an external factor beyond ones control, the question would be – what was implemented do to make the best of this situation/how did they turn it around/did something else positive come about as a result? In this instance the focus changes from **what could not achieve** (through no fault of his/her own), to **what he/she did achieve notwithstanding** and/or what efforts/innovative action was taken (successful or not)?

When rating performance according to the currently approved PMS Policy, the table below (as per the policy and the regulations) illustrates the “grey factors” that are considered and which will have impact (**and which must be considered** in terms of this policy and the Regulations – **in order to ensure compliance**). In particular, “innovation” and “complexity” are noted. In other words, even when circumstances prevent a target from being achieved 100%, consideration and recognition is required to be made when the incumbent shows that they have used their initiative/innovation to achieve positive outcomes nonetheless. On this basis they then meet the target in “other ways” – **justifiable of course**. This must be considered and evaluated as a matter of compliance.

VOLUME II

ANNUAL FINANCIAL STATEMENTS